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100 Leading Media Companies

A first-ever Advertising Age report ranking leading media companies by advertising, circulation revenue. Profiles, key holdings, trends, data and personalities.

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NEWSPAPER

SEE SECTION 2

New tv series faltering

By JAMES P. FORKAN

New York—Execs in agency circles again had their erasers at the ready amid talk that some additional prime time tv schedule changes were under discussion at ABC, CBS and NBC.

Given the number of yuletide specials ahead this month, it was likely that virtually all those proposed fixes would begin in January. The bulk of those possible changes would not upset most agency buyers in a fall season that after 8½ weeks has yielded few new hit series and has seen several slumps among veteran shows.

ABC programers were said to be itchy to scrap the "Open All Night" and "Making a Living" comedy combo on Saturdays, perhaps in favor of the currently shelved "King's Crossing" hour drama. Among those doubting that "Crossing" would enter that slot was William Lynn, senior vp-director of media and network programing, KM&G International. If that serial does wind up as the Saturday lead, it will amount to a "purely interim" maneuver, he said, since ABC execs "have no real belief in that show" as a potential winner.

CBS was said to be mulling "Baker's Dozen" for early Monday evening, with some agencies figuring it may bump "The Two of Us" and others hoping "Dozen" and another backup sitcom would knock out both "Two" and "Private Benjamin." Paul Schulman, who heads the Paul Schulman Co. network buying division of Gardner Advertising and who is among the admen hoping to see improvements in such weak links as CBS' opening Monday hour and ABC's leadoff Saturday hour, is high on "Baker's Dozen," calling it "a super show."

Phil Burrell, vp-network programing, Dancer Fitzgerald Sample, on the other hand, wondered if "Dozen" might now be seen as too similar to NBC's newly popular "Hill Street Blues."

The latest word among admen on CBS' Wednesday night tv movie package (AA, Nov. 30) was that it would be succeeded come March 3 by two one-hour series, probably "Cagney & Lacey" at 9 p.m. (ET) and a revamped "Shannon" at 10 p.m. One CBS pilot, the Disney-produced "Cherokee Trail," seemed unlikely to go to series after having posted a borderline 27 share the week ended Nov. 29.

As for NBC, Angie Dickinson's new action series "Cassie & Co." has been announced for Saturday duty at 10 p.m. as of early January, but last week some agency execs were getting inklings that NBC programers might put her back into her old "Police Woman" slot, 10 p.m. Fridays, in mid-January, replacing the delayed Rock Hudson entry.

Mr. Lynn, who counts himself among those who feel that NBC's moves "are not going to help; NBC's just not fixable for this season," doubted that "Cassie & Co." or any potentially popular series entry would be slotted on Friday nights. Such series are "unlikely to get sampling" opposite blockbuster "Dallas" and "Falcon Crest," he reasoned, so slating any series there would be "writing it off." Far more likely, in his opinion, would be a package of "highly exploitable" Friday tv movies. NBC pro-

(Continued on Page 81)

Now nobody tops fall desserts like Mrs. Smith's.
Mrs. Smith's Whipped Topping
SAVE 15¢ on Mrs. Smith's Whipped Topping.
27700 101523
STORE COUPON
Offer expires December 31, 1981

Real rich

Ads for the new product from the Mrs. Smith's Frozen Foods Co. say, "Mrs. Smith's Whipped Topping is so rich and creamy, it'll remind you of real whipped cream." The topping is being tested in Texas and possibly other markets with newspaper coupon ads from Leo Burnett Co., Chicago.

French soft drink leader hitting East Coast

Cola wars, economy worrying bottlers

By JOHN REVETT

Los Angeles—The economy and what one competitor called "the holy war" between Coca-Cola and Pepsi-Cola weren't easily brushed aside by speeches, wining and dining and back-slapping confabs at the National Soft Drink Assn.'s annual convention here last week.

"It's simple. It can't go on much longer because it's costing too much money," said one competitor of the promotional discounting and price battles going on between rival colas. He added that bottlers are spending more and more time on Coke and Pepsi, "and paying less attention to other brands. At the same time, you've got bottlers taking their profits from other brands because they're not making it on those two."

Neither PepsiCo chairman Donald Kendall nor other Pepsi or Coke execs said so, but some bottlers reported they were given indicators that price wars would subside. Others said the competition would increase.

The feeling among some execs at Dr Pepper was that the Coke-Pepsi battle is diverting both companies from competition in noncola areas; "So there is some good in this for some of us," one stated.

Canada Dry, being acquired by Dr Pepper, was reported to have a new cola developed but holding back on entry because of the heated cola competition.

Neither Seven-Up Co. nor Crush International execs would comment on possible cola entries from them, though there was much talk about Crush as the sleeping giant of the industry, now that it's part of Procter & Gamble and receiving a transfusion of P&G personnel.

Would P&G settle for the small flavor categories or make a Folger-like move after the two leading cola brands?

"That's a question a lot of people are asking without getting any answers," said a soft drink company officer. "We can assume they'll stir things up."

The exhibit areas here were virtually devoid of new products, which several in attendance took as another sign of hard economic times holding back soft drink business expansion. The one significant new item was Orelia, the U.S. version of French market leader Orangina. It drew a steady stream of supplier salespeople, competitors and the curious. The orange/citrus pulp drink, with just a trace of carbonation, reportedly is headed for eastern markets via a new import arrangement following introduction on the West Coast (AA, Nov.16).#

highlights

Monday, Dec. 7, 1981

Elizabeth Arden is introducing two specialized treatment lines that will bolster the company's competitiveness against Clinique. *See Page 6.*

The sides clashed at the first congressional hearing on the Betamax copyright case. *See Page 10.*

Cable tv is eyeing pay cable subscribers over advertisers. *See Page 14.*

Talon is returning to a trade emphasis after nearly a decade of focusing on consumer advertising. *See Page 34.*

Polaroid is hoping Santa will be good this year—and give lots of its cameras to boost plummeting earnings. *See Page 37.*

PepsiCo execs say the company is aggressively seeking new distribution channels for its soft drinks to fuel growth in the '80s. *See Page 45.*

House & Garden's new editor and publisher, after a remodeling of their book, face a tough market. *See Page 64.*

Three-wheel vehicles are helping the limping motorcycle industry. *See Page 70.*

Coca-Cola probably will remain off shelves in India, where the government chased it away four years ago. *See Page 72.*

Paramount TV buys major sponsorship in the just-begun *Video Newscasting Network* magazine in video form. *See Page 77.*

Radio spots they say are "nonpartisan" are raising a furor among Democrats. *See Page 78.*

American Baby magazine and Don Kirshner Cable, join for a 26-program series on baby care beamed to new mothers. *See Page 83.*

CORPORATE CLOSE-UP

Southland Corp. is looking for an even greater leadership in the convenience store category for its 7-Eleven chain. *See Page 4.*

INTERNATIONAL

Only five years ago a French government ad campaign exhorted women to procreate. Today, the new Socialist government is calling a new tune, and it's not a lullaby. *See Page 30.*

Disappointing multinational advertisers and agencies as a medium, Michael Townsin of Young & Rubicam, London, told a European conference that it is "highly unlikely" that that will happen "in any useful way" until 1988. *See Page 60.*

MAGAZINE

In the first of a two-part firsthand account of the battle to save the Federal Trade Commission, Michael Pertschuk describes how consumerists were able to get consumer legislation passed in the 1960s and '70s and how Congress sought to cripple the commission. *See Page 47.*

Andy Wasowski takes a candid look at the want ads and suggests what they might really mean if written honestly. *See Page 52.*

VIDEOTECH

General Foods and Campbell Soup explore cable tv programing co-productions. *See Page 58.*

section 2

MEDIA LEADERS

Conglomeration, a word frequently heard in the world of big business, also is becoming a byword of the media business. It's increasingly a world of who owns what, or 'I didn't know they published that magazine!" To help sort out the puzzle of who owns what, Advertising Age has compiled its first-ever, first annual "100 Leading Media Companies" issue profiling top companies, their media holdings and personnel changes, with features about some of the people behind the companies, in this week's Section 2, beginning opposite Page 44.

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FTC in Crest ad checkup

Washington—Procter & Gamble's big introductory campaign for new Crest toothpaste this year stirred up ad investigators at the Federal Trade Commission. But a probe of "therapeutic benefit" claims was closed after P&G switched to new ad copy in October.

The Crest investigation was revealed in a terse two-page letter telling P&G the inquiry was being discontinued. The letter surfaced recently in the commission's public files.

A P&G spokesman confirmed that FTC had made inquiries in September about Crest ad copy.

(Continued on Page 81)

Section 2 errata

The percentage increases for the fastest-growing newspapers in daily circulation shown in a Section 2 chart (Page S-20) in this issue were calculated incorrectly. A corrected version of the chart is reproduced on Page 84.#

Advertising Age/Section 2
DECEMBER 7, 1981

100 Leading Media Companies

A first-ever Advertising Age report ranking leading media companies by advertising, circulation revenue. Profiles, key holdings, trends, data and personalities.

Newspap

Radio

Magazines

Television

Media movers: Powers that are

JOSEPH M. WINSKI

Its daily newspaper, the *Christian Science Monitor*, being a prominent publication, one might suspect that the Christian Science Publishing Co. would show up on a list of the country's top media companies. It does, ranking No. 89 on ADVERTISING AGE's first listing of the 100 largest media companies in the U.S.

On the other hand, the Mormon Church—the Church of Jesus Christ of Latter-day Saints—might seem a far less likely candidate. But the rather extensive broadcast and cable tv holdings of its Bonneville International Corp. (controlled by, and therefore listed as, the church's Deseret Management Corp.) actually places the Mormons three notches above the Christian Scientists as a media enterprise.

Westinghouse Broadcasting is well enough known to expect that its parent company, Westinghouse Electric Corp. would be there somewhere, and it is (No. 27). But General Electric Co., too? Yes. GE owns three tv stations, eight radio stations and a cable tv company with 220,000 subscribers. Though the estimated $150,000,000 in revenues produced by GE's media properties are all but lost in the company's $24.96 billion in revenues last year, they were enough to rank GE 47th among the nation's media companies.

The familiar and the surprising make up AA's top media company list, which we believe to be the first effort to rank companies solely by their revenues from media operations. It ranges from the predictable tv networks and major newspaper and magazine publishers to unlikely entities like the Mormon Church, General Tire & Rubber Co. (which owns the broadcasting company RKO General and ranks No. 51) and Pittway Corp. (No. 65), which may be better known to the general public for smoke alarms than its many trade publications.

■ There are also unfamiliar names with familiar holdings, such as No. 46, A.H. Belo Corp. (the *Dallas Morning News*); No. 60, A.S. Abell Co. (*Baltimore Sun*), and No. 34, Affiliated Publications (*Boston Globe*).

The cast of characters who have built or are running the media companies is equally broad and striking. There is Roy Park, a former food manufacturer who didn't get into the business until he was 52 but became the first broadcaster to own the maximum number of stations (seven each of tv, fm and am stations) allowed by the Federal Communications Commission and is still going strong at 72. His Park Broadcasting ranks No. 81.

The controversial Rupert Murdoch, publisher of the *New York Post*, is here (News American Publishing, No. 32), but so is another aggressive foreigner, Kenneth Thomson; Lord Thomson of Fleet has been rapidly accumulating smaller U.S. newspapers, pushing his company up to No. 33.

American Broadcasting Cos., according to our figures, is the country's largest media company, thus seeming to earn the bragging rights it already has claimed as "the largest single advertising medium in the world." CBS and NBC (listed as RCA Corp., its parent) are Nos. 2 and 3, followed by Time Inc.

Time may be considered the largest magazine publisher on the list, although it now appears to be deriving more revenues from its video holdings than magazines. The top 10 is rounded out by the big newspaper enterprises (all with substantial non-newspaper holdings): Newhouse Newspapers, Gannett Co., Hearst Corp., Knight-Ridder Newspapers, Times Mirror Co. and Tribune Co.

In the individual company profiles that are the heart of this special section, one detects, again and again, the same refrain—a common sense of explosive change that AD AGE believes makes a listing of this kind especially timely.

For it is clear that many media company leaders believe the 1980s are ushering in an era of unparalleled growth for their industry, marked by accelerated movement from one type of media business to another. They cite two principal reasons: The rapid advance in communications technology and the election of Ronald Reagan to the White House.

Technology, for example, is making it possible for newspapers to deliver on tv screens the information and advertising they traditionally delivered as newsprint. At the same time, technology is affording television the opportunity to provide the in-depth news coverage (witness Cable News Network) traditionally the province of the print media. The technical boundaries that separate the media are being erased.

At the same time, the "free enterprise" philosophy of the Reagan administration is reducing the old political and legal barriers to growth through cross ownership of media. In August, CBS received a waiver from the years-long prohibition of network owership of cable tv systems and is bidding for a cable franchise in Alameda, Cal. Early last month, the FCC authorized issuing for public comment a staff report recommending that rules barring network ownership of cable systems be abolished generally; this was widely seen as the important first step toward giving the networks the green light.

■ In one of his numerous pronouncements on the subject, Mark Fowler, new FCC chairman, said recently, "Deregulation will be an important theme of my chairmanship. The technology bids us to pursue it, and the cost of continued regulation impels us as well."

The essence of what is happening was described succinctly at October's annual convention of the Magazine Publishers Assn. by Ira Tumpowsky, a vp of Young & Rubicam.

"The era of the single-medium company seems to be gone forever," Mr. Tumpowsky told the gathering of print execs. He said large media companies increasingly will "seek different points of entry and cross media ownership in the new communications industry."

That behavior will hardly be limited to the largest companies, however. Says Bahnson Stanley, new ventures analyst with Landmark Communications, a Norfolk, Va., newspaper, broadcasting and cable tv company that ranks 39th on the media company list: "We don't care how we deliver the information; we just want to deliver it."

Rare indeed is the newspaper company that is not prospecting for cable or other forms of electronic communications. "The thrust of our efforts is to get into any type of electronic media we can," says Gary Brubacker of the Toledo Blade Co. (No. 62). "That is where the future is. Cable is the spearhead of that effort."

It was only three years ago, in late 1978, that the Federal Trade Commission broke from its traditional reluctance to tackle the sensitive issue of media ownerhsip and staged a two-day seminar on media concentration. Said an FTC staffer at the time: "We're somewhat more concerned about concentration in the media because these are not just economic concerns, but First Amendment concerns as well."

Those concerns are likely to intensify again in some quarters (though not in the Reagan FTC or other administration body) as media companies continue to grow.

Just how big are the media companies? Based on media revenues alone, the largest media company, ABC, would rank no. 172 on the Fortune 500 list. And only the top 17 companies on our list would be large enough, by virtue of their media revenues, to make the Fortune 500 list. More pertinent to the concentration issue, however, may be the largest companies' share of the media pot. According to our figures, the 100 top media companies had total revenues from media operations of $29.53 billion last year; of this total, $13.9 billion, or 47%, came from just the top 10 companies.

Furthermore, a look at individual com-

Joseph M. Winski is editor-at-large of ADVERTISING AGE.

ers

Video

able

panies on the list discloses some local situations that may be more disturbing to opponents of media concentration than the alleged influence of, say, ABC or CBS on the ideas of the national community. For example, in South Bend, Ind., Schurz Communications (No. 96) owns the only daily newspaper, a vhf tv station and am and fm radio stations. "If you want to talk about local monopolies, they've got one," says a former Schurz advertising salesman.

A large number of the other companies on our list have substantial holdings in print, broadcasting and cable tv, though not usually in the same community, because of FCC restrictions on new media buyers. (Some media watchers believe the Fowler commission will relax these.)

Some observers, such as media critic Ben H. Bagdikian, express concern over "conglomerates" in media, or companies that have large positions in other industries. The highest ranking "conglomerate" on our media list, if we define that as a company deriving more than half its revenues from nonmedia properties, is RCA (No. 3), which gets only 19% of its total revenues from media operations, including NBC. Oil company Charter Co. (No. 23) derives only 6.5% of its total revenues from media, Westinghouse Electric only 3% (excluding recently acquired Teleprompter Corp.), GE only 0.6% and American Express Co. (No. 80) only 1.3%.

Both GE and American Express have indicated an intention to get much bigger in media, GE through its unsuccessful bid for Cox Broadcasting Corp. (No. 24) and American Express through its thwarted takeover bid for McGraw-Hill (No. 13).

It should also be noted that there are some substantial privately owned companies on the list. In fact, more than half—54—of the 100 companies are privately owned, including three of the top 10—Newhouse, Hearst and Tribune Co. Most of the private media companies indicate no less optimism and ambition for their role in the "new communications industry" than the most aggressive publicly owned ones.

The media game is indeed heating up. As in any fast-moving game, it's difficult to tell the players without a scorecard. Here's ours.#

100 TOP MEDIA COMPANIES

RANK	COMPANY	(000) MEDIA SALES	TOTAL SALES	MEDIA %
1.	American Broadcasting Cos.	2,204.5	2,280.0	97
2.	CBS Inc.	2,001.0	4,062.0	55.2
3.	RCA Corp.	1,521.8	8,011.0	19
4.	Time Inc.	1,348.5	2,882.0	47
5.	S. I. Newhouse & Sons	1,250.0	1,400.0	89
6.	Gannett Co.	1,195.0	1,215.0	98.8
7.	Times Mirror Co.	1,128.4	1,857.0	60.8
8.	Hearst Corp.	1,100.0	NA	NA
9.	Knight-Ridder Newspapers	1,099.0	1,099.0	100
10.	Tribune Co.	1,048.7	1,230.0	84.6
11.	New York Times Co.	679.0	733.2	93
12.	Washington Post Co.	646.7	659.5	98
13.	McGraw-Hill	644.8	1,000.0	64.5
14.	Triangle Publications	560.0	560.0	100
15.	E. W. Scripps Co.	515.3	515.3	100
16.	Dow Jones & Co.	493.3	530.7	93
17.	Capital Cities Communications	472.1	472.1	100
18.	Cox Enterprises	367.6	367.6	100
19.	Dun & Bradstreet	365.0	1,176.0	31
20.	Metromedia Inc.	333.7	453.9	73.5
21.	Meredith Corp.	330.5	403.4	81.9
22.	Field Enterprises	329.9	380.0	86.8
23.	Charter Co.	296.0	4,563.0	6.5
24.	Cox Broadcasting Corp.	281.0	309.2	91.7
25.	Reader's Digest Assn.	270.0	1,100.0	23.8
26.	Harte-Hanks Communications	269.0	304.0	88.7
27.	Westinghouse Electric Co.	266.5	8,514.0	3.0
28.	Evening News Assn.	235.7	235.7	100
29.	Minneapolis Star & Tribune Co.	213.7	213.7	100
30.	Central Newspapers	211.1	211.1	100
31.	Chronicle Publishing Co.	210.5	210.5	100
32.	News America Publishing	210.0	210.0	100
33.	Thomson Newspapers Ltd.*	208.1	438.7	47.4
34.	Affiliated Publications	206.5	206.5	100
35.	Ziff Corp.	200.0	225.0	89
36.	Storer Broadcasting Co.	197.1	197.1	100
37.	Copley Newspapers	191.5	NA	NA
38.	Pulitzer Publishing Co.	190.5	190.5	100
39.	Landmark Communications	182.0	182.0	100
40.	Playboy Enterprises	170.0	363.2	46.8
41.	Oklahoma Publishing Co.	170.0	170.0	100
42.	Media General	167.4	332.0	50.4
43.	Houston Post Co.	165.0	165.0	100
44.	Multimedia Inc.	163.6	163.6	100
45.	Freedom Newspapers	153.5	153.5	100
46.	A. H. Belo Corp.	150.6	157.6	95.5
47.	General Electric Co.	150.0	24,960.0	0.6
48.	Journal Co.	148.6	283.5	52.4
49.	Penthouse International Ltd.	145.7	155.0	94
50.	National Geographic Society	143.3	217.2	66
51.	General Tire & Rubber	142.1	2,200.0	6.5
52.	McClatchy Newspapers	136.8	136.8	100
53.	Courier Journal & Louisville Times Co.	136.2	136.2	100
54.	Lee Enterprises	135.1	137.0	98.6
55.	Houston Chronicle Publishing Co.	133.7	133.7	100
56.	McCall Publishing Co.	133.0	133.0	100
57.	National Enquirer	129.0	129.0	100
58.	U.S. News & World Report	125.0	125.0	100
59.	Viacom International Inc.	122.3	160.2	76.3
60.	A. S. Abell Co.	120.4	120.4	100
61.	Donrey Media Group	120.0	120.0	100
62.	Toledo Blade Co.	118.7	118.7	100
63.	Providence Journal Co.	117.0	162.8	71
64.	Taft Broadcasting Co.	112.2	239.9	47
65.	Pittway Corp.	112.0	311.7	35
66.	Tele-Communications Inc.	111.9	124.4	90
67.	Harcourt Brace Jovanovich	100.0	504.0	19.8
68.	Cahners Publishing Co.	100.0	150.0	66.7
69.	Wometco Enterprises	95.4	357.2	26.7
70.	Seattle Times Co.	93.5	93.5	100
71.	Morris Communications Corp.	89.0	91.0	97.8
72.	Des Moines Register & Tribune Co.	86.1	86.1	100
73.	Times Publishing Co.	82.0	82.0	100
74.	Jefferson-Pilot Corp.	81.5	885.0	9.2
75.	Petersen Publishing Co.	79.3	88.0	90.5
76.	Scripps-Howard Broadcasting Co.	77.0	77.0	100
77.	Warner Communications	76.5	2,000.0	3.8
78.	Oak Industries	76.0	386.0	19.7
79.	Bergen Evening Record Corp.	73.1	74.2	98.5
80.	American Express Co.	72.4	5,504.0	1.3
81.	Park Broadcasting	65.0	80.0	81
82.	Outlet Co.	64.2	132.3	48.7
83.	Post Corp.	63.1	81.1	77.8
84.	United Cable Television Corp.	62.8	62.8	100
85.	LIN Broadcasting Corp.	61.3	64.5	95
86.	Deseret Management Corp.	61.3	100.0	61.3
87.	Southern Progress Corp.	61.0	NA	NA
88.	Worrell Newspapers	60.0	60.0	100
89.	Christian Science Publishing Society	58.4	58.4	100
90.	Stauffer Communications	55.6	60.4	92
91.	UA-Columbia Cablevision	55.0	55.0	100
92.	Rodale Press	55.0	85.0	64.7
93.	Army Times Publishing	55.0	82.5	66.7
94.	Rollins Inc.	54.7	400.1	11.9
95.	Macfadden Women's Group	54.5	54.5	100
96.	Schurz Communications	52.0	52.0	100
97.	LFP Inc.	52.0	350.0	14.9
98.	The New Yorker Magazine	50.1	57.8	88
99.	Knapp Communications Corp.	50.0	54.0	92.6
100.	Blue Chip Stamps	49.9	219.3	22.8

*In successive columns: Thomson's U.S. media revenues only; Thomson's U.S./Canadian media combined which is total revenues; and U.S. media percentage of total.

A look at the top 100 U.S. media companies

ADVERTISING AGE'S first annual media roundup, including holdings, revenues, personnel shifts and feature profiles.

A.S. Abell Co.

A.S. Abell Co., Baltimore, is the country's 60th largest media company, with total revenues of about $120,400,000 solely from media operations in 1980. Newspapers accounted for about $102,000,000 and radio and tv stations together about $17,000,000.

The privately owned company's principal property is the *Baltimore Sun*.

A key management change occured last summer when Reg Murphy, former publisher of the *San Francisco Examiner*, became publisher and chief executive. He succeeded publisher Donald S. Patterson, who remains as president of the company.

Importing top management from outside its own ranks is an unusual move for Abell, but Mr. Murphy was brought in to effect the major changes the company has planned.

The demise of the *Washington Star* in August has resulted in growth for the Sunpapers, as the morning, evening and Sunday papers are known collectively.

The *Sun* "picked up a lot of *Star* features, including some of the best reporters," says Mr. Murphy. Circulation is up 3,000 at the *Evening Sun* and 2,500 on Sundays. Total circulation is up 9,000 over 1980, and Mr. Murphy projects a circulation increase of 12,000 before the end of the year.

The papers have a combined daily circulation of about 350,000; Sunday circulation is about 375,000.

■ "We're in the process of revamping the entire Sunday paper, instituting new sections such as People and Maryland Kitchen. We plan to use lots more color," Mr. Murphy says.

The company has invested in 36 Goss-Metroliner offset press units, all scheduled to be operating this month.

It also plans to strengthen circulation within the five-county region around Baltimore, particularly among minority readers. It hopes to boost circulation at an annual rate exceeding the growth of new households in the Baltimore metropolitan area. In addition, it hopes to increase advertising linage at a pace greater than the annual cost-of-living increase, expand the *Sun* network of foreign bureaus and focus more attention on working women, two-income families and homebound commuters.

Reorganization of the Sunday *Sun* began this fall with a "We make SUNdays brighter with the Sunday SUN" promotional campaign highlighting the addition of former *Star* features.

■ Abell also is exploring regional magazine and weekly or daily newspaper acquisitions.

Abell's broadcasting subsidiary, Abell Communications, owns WMAR-TV and WMAR (fm), Baltimore, and WBOC-TV and WBOC (am, fm), Salisbury, Md.

Abell Communications is awaiting FCC approval of its third radic acquisition within recent months, a Daytona, Fla., fm station. It expects to have seven new fm stations on noard by the end of 1983.

The communications division, responsible for all Abell ventures in electronics and entertainment, is also developing two software packages, one in sports and another in news-information programing, for over-the-air and cable tv.

MEDIA PROPERTIES:
Newspapers: *Baltimore Sun; Evening Sun.*
Broadcasting: Abell Communications—WMAR-TV, WMAR (fm), Baltimore; WBOC-TV, WBOC (am, fm), Salisbury, Md. Abell Communications Productions—cable tv.

Affiliated Publications

Affiliated Publications, Boston, owner of the *Boston Globe*, is the 34th largest media company in the U.S., with $206,464,000 in revenues in 1980, all from media operations. Of that total, $194,379,000, or 94%, was derived from the *Globe* and $11,985,000, or 6%, from radio broadcasting.

According to Standard & Poor's Corp., newspapers accounted for 90% of the company's profits of $12,852,000 last year and broadcasting 10%.Affiliated Publications was formed in 1973 in a reorganization that made Globe Newspaper Co., publisher of the *Globe* since 1876, a wholly owned Affiliated subsidiary.

Last month, Affiliated elected chief executive officer William O. Taylor, 49, to the additional post of chairman, effective Jan. 1. He succeeds his father, William Davis Taylor, who is retiring. John P. Giuggio, 51, an Affiliated executive vp, will succeed the younger Mr. Taylor as president and chief operating officer.

William O. Taylor represents the fourth generation of Taylors to head the company.

Since February, 1979, the *Globe* has been published as an all-day paper, with seven editions each weekday, one on Saturday and one on Sunday. The paper's daily circulation of 504,492 puts it 13th among the nation's dailies.

It has a Sunday circulation of 740,717, ranking it ninth among Sunday papers.

The *Globe* is distributed throughout New England, with concentration in a five-county area in Massachussetts (Middlesex, Essex, Norfolk, Plymouth and Suffolk), as well as in a four-county area in southern New Hampshire and in Barnstable County on Cape Cod.

In 1975, Affiliated began diversification efforts that have resulted in the purchase of 12 radio stations and, more recently, an active interest in cable communications. A subsidiary, Affiliated Broadcasting, controls the radio stations, and the parent company controls all cable operations.

The company earlier this year acquired 45% of McCaw Communications, Bellevue, Wash., for $12,000,000, giving Affiliated a substantial interest in eight cable tv companies in Alaska and Washington. It and McCaw have entered into a joint venture to buy Southern Oregon Broadcasting Co. and Pacific Teletronics, which operate cable tv systems in southern Oregon and northern California. This marks Affiliated's first investment in cable tv.

The company reportedly is investigating further purchases in the medium.

In March, the company acquired WAIV-AM and WAIV-FM in Jacksonville, Fla., for $3,000,000, giving it a total of 12 radio stations.

■ The company has announced a joint venture with Knight-Ridder Newspapers that would give Affiliated access to data from Knight-Ridder/American Telephone & Telegraph Co.'s market test of Viewtron Home Information Service in southern Florida.

Viewtron service includes news, information, advertising, games, quizzes, educational programs and at-home shopping and banking. Affiliated reportedly will use the information in a future program designed for the Boston area.

In the planning stages is an off-site, 170,000-sq.-ft. printing plant to be built in Billerica, Mass. Construction is expected to begin in the spring and the facility is scheduled to open in 1984.

Affiliated is projecting a 12% to 19% increase in revenues this year and expects the newspaper to contribute 94% of total revenues once again.

MEDIA PROPERTIES:
Newspapers: *Boston Globe.*
Broadcasting: WFAS (am), WWYD (fm), White Plains, N.Y.; WSAI-AM, WSAI-FM, Cincinnati; KRAK (am), KEWT (fm), Sacramento, Cal.; KMPS-AM, KMPS-FM, Seattle; WHYN-AM, WHYN-FM, Springfield, Mass.; WAIV-AM, WAIV-FM, Jacksonville, Fla.
Cable/video: 45% ownership in McGaw Communication with cable locations as follows: ALASKA—Frontier Colorcable, Fairbanks; Ketchikan Alaska Television, Ketchikan; Sitka Alaska Television. WASHINGTON—Cle Elum Cablevision, Cle Elum;Okanogan Valley Television Cable, Omak; Twin City Cablevision, Centralia; Whatcom County Cablevision, Ferndale; Whidbey Island Cablevision, Langley; Yakima Valley Cablevision, Yakima. OREGON—Scappoose Cablevision, Scappoose.

American Broadcasting Cos.

American Broadcasting Cos., New York, is the country's largest media company with media revenues of $2.2 billion in 1980. The company has media interests in tv, radio stations and networks, and ties to publishing and cable tv.

The company's broadcasting op-

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erations alone accounted for nearly $1.97 billion out of ABC Inc.'s $2.28 billion revenue total in 1980. In 1979, broadcasting revenues represented almost $1.8 billion of about $2.05 billion. During each of the three years through 1980, broadcasting accounted for at least 85% of all revenues, ABC said.

Publishing, meanwhile, represented nearly $231,600,000 in revenues, up from $192,400,000 in '79.

ABC-TV Network contributed the bulk of the broadcast dollars once more, thanks to its strong ratings performance in all dayparts. However, programing costs grew at a much faster clip, thereby reducing its profit margins for 1980 (when broadcast earnings fell 6%) and 1979 (when earnings rose only 4%, compared with a 12% jump during '78).

News coverage of the presidential campaign and also the Iranian hostage situation contributed a good deal to those rising costs.

In reporting the 1981 third quarter results, ABC chairman Leonard Goldenson and president Elton Rule said ABC Inc. attributed its "excellent" showing to the "improving advertiser demand for tv time, as well as the delayed premiere of the new fall season."

The quarter saw ABC Inc. climb by $62,400,000 over the same period in 1979 to approach $553,600,000 revenues as net earnings rose by $4,400,000 to $34,100,000. For the nine-month span, ABC revenues hit $1.7 billion, up from $1.6 billion, as earnings fell to $102,500,000 from $107,800,000.

■ The tv network improved in both sales and earnings during the third quarter, as did the owned tv stations division and ABC Radio. Publishing posted a sales gain, but an operating loss.

Over-all ABC Inc. earnings were "moderated," the execs said, by the development costs of ABC Video Enterprises and ABC Motion Pictures.

Although ABC lost the prime time Nielsen race to CBS last season (after a virtual dead heat the season before), ABC boasted that "from sign-on to sign-off, more people watched the ABC-TV Network in 1980 than any other network" and that it remained "the largest single advertising medium in the world," an honor held for decades by CBS. The bulk of ABC's audience was young adults and young women, the segments that put ABC out front for several seasons, drawn by Olympics coverage and comedies like "Three's Company," "Happy Days" and "Laverne & Shirley"—comedy being "the cornerstone" of prime time success.

ABC, which went into the current fall season with 206 affiliates (five signed during 1980), was in a virtual tie with CBS after the Nielsens were tallied for the first four autumn weeks.

The fifth week ended Nov. 8 was won by ABC by a considerable margin, enough to put the network out front in the early season averages, its 20.1 rating and 32 share a hair ahead of CBS' 20.0 and 32.

In daytime, ABC-TV held the top rank, a position it first wrest from CBS in January '78. "General Hospital," "One Life to Live" and "All My Children" contributed heavily to that clout in a daypart where ABC accounted for $463,000,000 of the total $1.17 billion advertisers poured into network daytime fare in 1980.

In the evening news wars, ABC has been benefiting from the audience sampling that followed Walter Cronkite's retirement as CBS anchorman.

The company also claimed that its owned tv stations in 1980 were "again the most watched and most successful group of stations" in the U.S., especially among viewers aged 18 to 49. Division revenues rose in each of the last three years, through 1980, but earnings slipped in 1980, owing to rising costs for expanding early fringe time newscasts and higher costs for such shows as "Teletone News." The "sluggish" economy kept revenues from climbing at comparable rates.

■ ABC Radio division also saw earnings fall since 1979, due to greater competition from new networks, new stations, tougher am-fm rivalries and higher programing costs. The unit, which shook things up in the 1960s by forming four demographically tailored networks—contemporary, entertainment, fm and information—has several more networks in the works for 1982 and beyond. The Direction and Rock nets are slated for Jan. 1 starts, followed in early 1982 by Talkradio and in mid-1982 by Superradio. The two latter services are to go via satellite, which ABC radio Enterprises execs see as the distribution method for all the ABC nets, probably by 1984.

Chilton is the largest single entity within ABC Publishing, with 21 speciality magazines. It also owns Chilton Research Services. ABC Video Enterprises has been mulling ways of using the various ABC-owned magazines in home video programing ventures. Amid rumors that ABC Publishing is up for sale and that the division has "minimal" impact on ABC's bottom line, the parent company maintains the publications are not on the block.

Falling into the "other" category at ABC is ABC Video Enterprises, marketing videocassettes for retail sale and also involved in the ARTS and Daytime cable tv programing co-ventures. ARTS, which includes such as AT&T and Mobil, ran for months after its April premiere without any ad support. Daytime is due in mid-March. Both services have rates well under commercial tv levels, as befits a narrow casting operation. That, combined with the high start-up expenses, explain why ABC Inc. does not expect profits for some time from this division.

This fall, ABC Video added two co-ventures—cable news services with Westinghouse Broadcasting and a pay cable sports network with Getty Oil's Entertainment & Sport Programing Network.

MEDIA PROPERTIES

Broadcasting: TELEVISION: ABC-TV Network: ABC-owned tv stations in New York, Los Angeles, Chicago, Detroit and San Francisco. WABC-TV, New York; WLS-TV, Chicago, KABC-TV, Los Angeles; KGO-TV, San Francisco, WXYZ-TV, Detroit. RADIO—ABC Radio Networks: ABC-owned radio and outlets in New York, Los Angeles, Chicago, Detroit, San Francisco, Washington, Houston. WABC (am) and WPLJ (fm), New York; KABC (am) and KLOS (fm), Los Angeles; WXYZ (am) and WRIF (fm), Detroit; KGO (am) and KSFX (fm), San Francisco; WLS (am) and WRCK (fm), Chicago; WMAL (am) and WROX (fm), Washington; KSRR (fm), Houston.

Cable/video: ABC Video Enterprises.

Magazines: ABC Publishing: (*Los Angeles Magazine*); ABC Leisure Magazines: (*Modern Photography, High Fidelity, McCall's Needlework & Crafts*); ABC Farm Progress Publications: (*Prairie Farmer, Indiana Prairie Farmer, Wisconsin Agriculturist, Wallaces Farmer*); Miller Publishing: (*Farm Store Merchandising, Garden Supply Retailer, Feedstuffs, Hog Farm Management, Tack 'n' Togs*); Ames Publishing: (*Industrial Maintenance & Plant Operations, Industrial Distributor News, Industrial Safety Product News*); Hitchcock Publishing: (*Infosystems, Assembly Engineering, Industrial Finishing, Woodworking & Furniture Digest, Office Products Dealer, Machine & Tool Blue Book*); R.L. White Co.: (*Homes*); Chilton: (*Automotive Industries, Automotive Marketing, Distribution, Instruments & Controls Systems, Accent, Chilton's Control Equipment Master, Commercial Car Journal, Iron Age, Hardware Age, Jewelers' Circular-Keystone, Food Engineering Master, Instrument & Apparatus News, Motor Age, Product Design & Development, Review of Optometry, The Specialist, Truck & Equipment Salesman*.)

How AA compiled its data

Companies were ranked by net operating revenues from media properties. Included were print media supported by advertising or circulation revenues or both. Examples of media operations not supported by advertising but included in the calculations are newsletters and electronic information services paid for by subcribers. Book publishing was excluded.

Similarly, revenues generated from the operation of radio or tv stations, including over-the-air and cable stations, were included. Revenues generated by the production of tv films or other programing for use by broadcast or cable stations were excluded.

Many of the top 100 companies are privately owned and thus not required to disclose financial figures. In addition, many of the publicly owned companies do not report their figures in the detail required for our analysis. In both cases, officials of the companies involved were contacted for estimates. Generally, we found companies to be helpful in guiding editors to a close approximation of media-property revenues. As the individual company profiles demonstrate, we were also able to interview many company executives expressly for this special report. In those cases where companies were not helpful, editors used secondary sources believed reliable, as well as equations developed by leading media analysts to estimate revenues of individual newspapers or radio and or tv stations.

As far as ADVERTISING AGE can determine, no one has ever attempted a ranking of this sort. Like other such rankings, particularly first-time efforts, it is likely to be flawed by omission and commission. We welcome your comments and suggestions for improving the accuracy of the listing, which we plan to publish annually.#

American Express Co.

American Express Co., New York, is the 80th largest U.S. media company, with total estimated media revenues of $72,400,000 in 1980. It projects 1981 media revenues of 95,000,000, from cable subscribers, fees, cable programing services and publishing. Media revenues accounted for only 1.3% of the giant financial services company's total revenues of $5.5 billion last year. Total net income was $376,000,000.

The company's media operations are growing rapidly, largely because of its 50-50 partnership with Warner Communications in Warner Amex Cable communications. Warner Amex is expected to have revenues of close to $175,000,000 this year and well over $200,000,000 if subscriber connection fees are included. An estimated $120,000,000 will come from monthly subscriber fees and nearly $37,000,000 from fees for The Movie Channel and Nickelodeon, offered for Warner Amex cable systems and others. The count is moving up steadily as Warner Amex adds subscribers via franchises awarded in Pittsburgh, Dallas, Cincinnati, Boston and Houston.

The company's American Express Publishing unit accounted for about $20,000,000 of revenues in 1980. Nearly all was from *Travel & Leisure* which had a 14% increase in advertising volume. This year the monthly projects 1,060 ad pages, up 8% to 9%.

Late in 1980, 945,000-circulation *Travel & Leisure* was joined by *Food & Wine*, a gourmet monthly acquired from founders Ariane and Michael Batterberry. *Food & Wine* is projecting 330 ad pages this year and has increased its circulation rate base to 300,000 from 200,000.

Also added was Mitchell Beazly Ltd., London, a publisher of family reference books which is moving into video programing and is expected to produce video travel guides and other fare with material from the magazines.

Warner Amex hasn't moved rapidly with its Qube interactive cable tv service, which reportedly lost money in Columbus, O., during a long test. Warner Amex execs say they have corrected some of the problems and are expanding Qube to Cincinnati, Pittsburgh, Houston, St. Louis and Dallas.

Warner Amex credits the Qube capabilities with helping it win franchises in these major markets despite intense competition. The joint venture says it is preparing the way for future two-way services such as shopping and banking at home. During 1980, Warner Amex introduced the BT-1300 Qube III home computer console, half the size of its predecessor but able to accommodate more than 100 channels of programing.

Nickelodeon, Warner Amex's young people's channel, and The Movie Channel, offering round-the-clock feature films, are being joined this year by Alpha Repertory Television Service, devoted to the performing and visual arts, and The Music Channel, presenting continuous popular music.

MEDIA PROPERTIES:

Cable/video: Cable tv systems with more than 825,000 subscribers in 27 states (via Warner Amex Cable Communications, a partnership with Warner Communications—see Warner Communications profile), Warner Amex Satellite Entertainment Co.

Magazines: *Travel & Leisure*; *Food & Wine.*

Army Times Publishing Co.

Army Times Publishing Co., Washington, ranks as the 93rd largest media company, with media holding revenues of an estimated $55,000,000 in 1980, or two-thirds of total revenues of about $82,500,000.

The privately held company publishes three weekly military newspapers, *Army Times*, *Navy Times* and *Air Force Times* (with a combined circulation of 330,000), as well as a weekly for civilian government employes, *Federal Times* (circulation 44,000), all distributed within and outside the country.

The company also publishes two military-related magazines, *Times* magazine, a monthly supplement to the three military papers, and *Military Market*, a trade publication for military commissary and exchange personnel.

Journal Newspapers, a separate division headquartered in Springfield, Va., publishes five daily suburban newspapers in the Washington area.

■ Besides printing all of its own papers, the company operates a commercial printing division under the name of Journal Newspapers Printing. It is also involved in the telephone sales business through its Army Times Telephone Marketing Unit, which solicits subscriptions for other periodical publishers.

Last September, *Army Times'* five suburban semiweeklies became daily publications following the demise last August of the *Washington Star*.

The papers' 135,000 subscribers are, and will remain, suburban residents, because the company has no plans to distribute within the city of Washington. Forty new staff members were added to the payroll, doubling the size of the Journal's reporting and advertising departments.

Henry Belber, exec vp of Army Times Publishing, said 1981 is "the best year we've ever had." The company's plans include possible acquisitions or startups of new print properties. *Army Times* also says it is willing to look seriously at opportunities in broadcasting.

■ The company instituted various belt-tightening measures in the past year, including a program designed to better management of printing and production facilities to reduce waste.

This year the company purchased a $1,500,000 video display terminal system, enlarging the system it already had.

MEDIA PROPERTIES:

Newspapers (dailies): MARYLAND—*Prince George's Journal, Montgomery Journal*. VIRGINIA—*Alexandria Journal, Arlington Journal, Fairfax Journal.*

Newspapers (others): *Air Force Times, Army Times, Federal Times, Navy Times.*

Magazines: *Times* (supplement to the military papers), *Military Market* (trade magazine).

OTHER OPERATIONS:

Army Times Telephone Marketing; Journal Newspapers printing division.

A.H. Belo Corp.

A.H. Belo Corp., Dallas, publisher of the *Dallas Morning News*, is the nation's 46th largest media company, with media property revenues of $150,592,000 in 1980, or 96% of total revenues of $157,619,000. Of the total revenues, $102,654,000, or 65%, came from newspaper publishing, and $47,938,000, or more than 30%, from tv and radio broadcasting.

Newspapers counted for 38% of operating earnings of $34,394,000 and broadcasting 59%. The remainder of revenues and operating earnings came from specialty printing and the biannual "Texas Almanac," published since 1857. The company's net profits last year were $19,228,000.

In the first three quarters this year, Belo's newspaper revenues rose 19% to $87,475,000 and tv and radio broadcasting revenues rose 25% to $41,392,000. Net earnings rose 15% to $14,700,000 from $12,800,000.

The company is currently going public with an initial offering of 2,000,000 shares of common stock at an estimated $21 to $23 per share.

About $19,000,000 of the proceeds will be used to construct and equip a six-story addition to the *Dallas Morning News* building. Belo plans to use the balance for working capital, expansion of plant and facilities and the possible acquisition of addional cable tv, broadcast and publishing properties. No acquisition negotiations are in progress, the company says.

Much of the stock will remain in firm control of the Dealey family. Family shareholders are selling 1,000,000 of their shares and the company 1,000,000 newly created shares.

Belo will have a total number of 9,212,000 shares after the stock issue, about 42% of which will be owned by the Dealey family.

In 1980, the company purchased WTVC-TV in Chattanooga, Tenn., for $19,389,000 cash, and in 1981, it acquired a cable tv system in Clarksville, Tenn., for $5,750,000 in cash and notes. This year, the company sold Atlas Match Corp., a wholly owned subsidiary, for $3,250,000.

Belo Information Systems division, formed in 1980, has begun development of an interactive system of electronic distribution of information to home computers through cable tv and telephone lines. The division participated with another company in an experimental offering of news and other information, and then introduced Belo Information Systems On-Line Network to offer a commercial application of the home service.

The *Dallas Morning News* is also exploring opportunities in electronic information systems, using the newspaper's existing computerized systems in conjunction with new technologies that can bring news and information into the home.

Competition between the *Dallas Morning News* and archrival *Dallas Times Herald* (owned by Times Mirror Co.) reached a feverish pitch in 1980 and 1981, with the *News* adding a new executive editor and a new managing editor, who promptly set out to improve and expand general news, business, sports, entertainment and social coverage.

In 1981, the *News* launched a Saturday bulldog edition of its Sunday newspaper and added popular columnist Ann Landers to its columns, ending her 23-year stint with the *Dallas Times Herald. Late in 1981, the News* announced it will add nationally distributed Parade in January, following the Times Herald's cancellation of the supplement more than a year ago (the *Times Herald* subsequently introduced its own Sunday supplement).

Total advertising lineage of the *News* in 1980 reached 91,709,337 lines which produced advertising revenues of $86,556,627. Through the third quarter of 1981, linage and revenues were reported well ahead of the comparable figures in 1980.

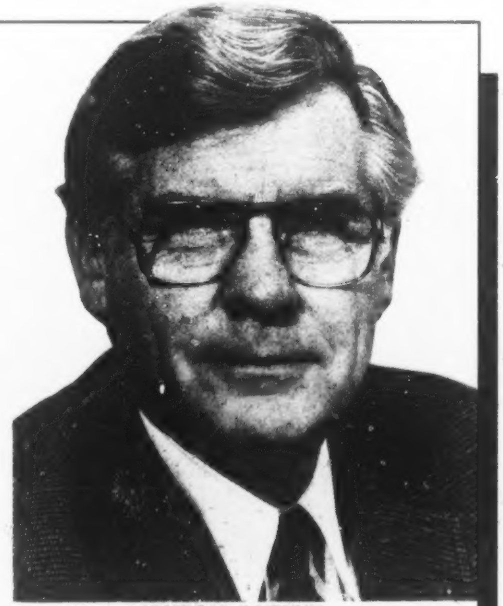
Circulation figures for the paper averaged 284,673 daily and 357,861 Sundays over the six-month period ended Sept. 30 (both numbers represented slight gains over the same period in 1980). That compares with *Times Herald* figures of 242,821 and 335,089, respectively.

MEDIA PROPERTIES:

Newspapers: *Dallas Morning News* and six community dailies in the suburban Dallas/Fort Worth area: *Arlington Daily News, Grand Prairie Daily News, Garland Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News.*

Broadcasting: TELEVISION—WFAA—TV, Dallas; KFDM-TV, Beaumont, Tex.; WTVC-TV, Chattanooga, Tenn. RADIO—WFAA (am), KZEW (fm), Dallas.

U.S. News: Maintaining balance on a 3-leg stool



JAMES McILHENNY

The man selected to guide *U.S.News & World Report* through the 1980s is James H. McIlhenny, a new face in magazine publishing, recruited from Macmillan Inc.in mid-1980.

The scenario casts him as successor to John Sweet, who as president and chairman, has been the guiding force at *USNWR* for more than 35 years. In May, 1981 the transition began, with Mr. McIlhenny assuming the presidency and Mr. Sweet retaining the chairmanship.

"This is an incredibly wealthy company, with a large stream of usable assets, and a board of directors that is progressive and expansion minded," he says of *USNWR*, a non-public organization entirely owned by employes individually and through the profit sharing trust. But he sees the need for a lot of management homework before anything very spectacular takes place.

While the basic structure for future development in related journalistic and publishing enterprises is already falling into place, his top short-range goal is to build management strength. "We are going to spend a lot of time training people," he says. "Many will be from inside our organization, but where we don't have the right people in our organization, we will bring them in."

▪ He finds strength in *USNWR* circulation gains and readership scores, but sees no need to challenge front-running *Time* and *Newsweek* for leadership in the newsweekly field. "Its emphasis on what the news means makes *USNWR* a distinctive product, important to people who depend on it for that service," he says. "It is important in Washington out of proportion to its total circulation."

"It bodes well", he continues, that the magazine's greatest strength is in the Sunbelt states, which are experiencing greatest growth in both population and industry. "We are disproportionately more effective in Texas, for example, than in the country generally," he points out.

The USNWR report strategy for the 1980s rests on a "three legged stool"—the magazine, the related revenue-producing real estate ventures now getting underway, and a new business development program "which seeks out opportunities related to the magazine publishing skills, but not competitive."

Last summer, the real estate operations got under way with announcement of a joint venture with Boston Properties for a $200,000,000 development on three acres in the west end of Washington, near Georgetown, for a USNWR headquarters building, plus a 450-room luxury hotel, investment office building and townhouse-high rise condominum sector.

As a start in the new ventures area, the company recently made its first move into electronic journalism with the acquisition of Parkway Communications Corp, a major producer and distributor of fine arts radio programing.

Early in November, a new subsidiary, Publishers Services International, was created as a holding company to provide capital for the company's major "manufacturing" project—the creation of facilities establishing it as a provider of worldwide electronic publishing services

▪ With sales commitments of more than $10,000,000 annually, PSI already has contracts for computer typesetting and transmission services with more than 50 publishers, including McGraw-Hill, Hearst, Conde-Nast and CBS Publications.

Beyond the continent, there is still the world."Nobody has ever provided international linkage between publishers and printers except on a private basis," he points out.

His connection with publishing exists only in the fact that at Macmillan, Mr. McIlhenny had a stint in charge of Alco Gravure, the company's printing arm. In all, he was with Macmillan 12 years, the most recent five as exec vp.

Earlier he had been with Genesco for 15, in shoe manufacturing. Later he was in retail management, as president of I. Miller & Sons, the women' fashion footware manufacturer and retailer.

Bergen Evening Record Corp.

The Bergen Evening Record Corp., a family-owned company headquartered in Hackensack, N.J., and the 79th largest media company recorded $73,100,000 in media revenues and $74,244,000 in 1980 total revenues primarily from the company's newspaper operation.

Circulation and advertising revenues mainly in the *Record*, the company's flagship paper and the largest evening daily in the state, and in the Toms River, N.J.-based *Ocean County Reporter*, accounted for $56,589,000 of the total.

The company's broadcasting arm, TV Gateway Communications, Cherry Hill, which operates stations in three other states, recorded $16,546,000 in revenues, while revenues from "other interests" totaled $1,109,000.

Corporate officials project that 1981 revenues will hit the $80,000,000 mark.

Circulation for the *Record*—145,022 daily and 207,357 Sundays—was down just slightly from the previous year in what chairman Malcolm A. Borg termed a "typical phenomenon in this market."

Nevertheless, the *Record* logged higher circulation in Bergen County—which attracts many high-earning metropolitan area professionals—than all the New York City and suburban papers combined.

Situated in an area with an exceedingly heavy concentration of retail shops, the *Record* was able in 1980 to increase its over-all ad linage to a record 44,780,429 lines despite a drop in classified advertising.

To place advertising from the paper and its other subsidiaries in varied media, the company set up its own in-house agency, Magna Media Inc., resulting in a saving of $23,000 during the year.

In addition, the paper endorsed the Standardized Advertising Unit (SAU), thus backing the efforts of its marketing vp Frank J. Savino, who pushed for the voluntary move by publishers during his 1980 term as president of International News & Marketing Executives (INAME).

The corporation earlier this year sold off Freehold, N.J., semi-weekly, the *Monmouth News*, to the Greater Monmouth Publishing Co. of East Brunswick, N.J.

The Record is pumping $65,000,000 into modernizing its operations. Completion is set for 1983 and includes the purchase of two $23,000,000 high-speed offset presses from Tokyo Kikai Seisa Kusho Ltd.

The presses, to be housed in a new four-story structure, are scheduled for use by next June. The presses will facilitate the use of extensive color, says *Record* president Michael H. Heath.

In 1980, the company completed a mailroom addition, converted to electronic editing and installed prepress systems. Still to come will be redesigned corporate offices and efforts to stimulate circulation.

The company, nonunion in a highly unionized area, maintains that status because of its "enlightened paternalistic attitude toward employes," according to Mr. Borg, pointing to retraining programs established for those whose jobs have been lost to automation, and to an active profit sharing plan.

Circulation at this point is primarily in Bergen County, although the paper is distributed in some Passaic County communities. "We will have the capability of going beyond Bergen County (with the new circulation moves)," says Mr. Borg.

Gateway Communications is "doing nicely and improving its profit picture," says George A. Koehler, president, noting no major changes. He salutes the subsidiary's ability to retain its managerial staff at its CBS and ABC affiliates, and maintains the stations "have the best corner on syndication" in the market.

Bergen Evening Record has been owned by the Borg family since 1895.

MEDIA PROPERTIES

Newspapers: *Bergen County* (N.J.) *Record, Ocean County* (N.J.) *Reporter.*

Broadcasting: WOWK-TV, Huntington/Charleston, W.Va.; WLYH-TV, Lancaster/Lebanon, Pa.; WTAJ-TV, Altoona, Pa.; WBNG-TV, Binghamtom, N.Y.

Blue Chip Stamps

Blue Chip Stamps, Los Angeles, is the nation's 100th largest media company. Its sole media property, the *Buffalo Evening News*, was the company's second largest operation, with $49,867,000 in revenues, or 23% of total revenues of $219,300,000.

Candy accounts for the bulk (nearly 50%) of revenues of the publicy owned Blue Chip's business. Despite its name, trading stamps represented only 9% of the company's consolidated revenues in 1980, down from 12% over the previous year.

The *Evening News* lost $1,500,000 last year, making it the only Blue Chip holding to record a loss. Company officials are quick to add that the loss was $1,800,000 less than the year before.

For the company as a whole, net income in 1980 totaled $20,389,000.

The *Evening News* claims to be the most widely read daily newspaper in upstate New York, with a

Not just for the fun of it . . .

Highest paid execs of publicly owned media companies (1980 cash and cash-equivalent pay—received and accrued)

Broadcasting:

1.	Thomas H. Wyman, president, CBS Inc.	$1,656,772
2.	Leonard H. Goldenson, chairman, ABC Inc.	$1,229,230
3.	Fred Silverman, president, ceo, NBC*	$1,000,000
4.	Eldon H. Rule, president, ABC Inc.	$ 983,230
5.	William S. Paley, chairman CBS Inc.	$ 928,877
6.	Frederick S. Pierce, exec vp, ABC Inc. president, ABC Television	$ 861,567
7.	Edgar H. Griffiths, chairman and ceo, RCA Corp.**	$ 823,362
8.	Ralph M. Baruch, chairman, Viacom International	$ 815,320
9.	John W. Kluge, chairman and president, Metromedia	$ 736,469
10.	Terrence A. Elkes, president, Viacom International	$ 659,855

Print:

1.	Robert G. Marbut, president and ceo, Harte-Hanks Communications	$1,075,222
2.	Larry D. Franklin, executive vp, Harte-Hanks Communications president, newspaper operations	$ 729,712
3.	Arthur Ochs Sulzberger, chairman, New York Times Co.	$ 666,408
4.	Allen H. Neuharth, chairman, president and ceo, Gannett Co.	$ 644,734
5.	Warren H. Phillips, chairman and ceo, Dow Jones & Co.	$ 638,247
6.	Harrington Drake, chairman, president & ceo, Dun & Bradstreet	$ 614,276
7.	Otis Chandler, vice-chairman, editor-in-chief, Times Mirror Co.	$ 561,946
8.	Franklin D. Murphy, chairman, Times Mirror Co.	$ 525,471
9.	Harold W. McGraw Jr., chairman, president and ceo, McGraw-Hill	$ 512,493
10.	Derick J. Daniels, president and chief operating officer, Playboy Enterprises	$ 506,124

Source:
Company proxy statements, except for Mr. Silverman, whose compensation was estimated by industry sources.

*Resigned, July 1981. **Resigned, January 1981.

daily circulation of 270,000. It was acquired in 1977 for $34,000,000.

Last year's losses occurred despite an increase in circulation and advertising revenues. Some of it was attributable to litigation expenses incurred fighting an antitrust suit filed by its chief competitor, the *Buffalo Courier Express.* The *New's* inauguration of a Sunday edition in 1977 triggered the suit.

Blue Chip hopes that the *Courier's* recent shift in ownership to the Minneapolis Star and Tribune Co. will slow pursuit of the case. *News* owners believe that the new rivals favor good business and journalistic practices over court clashes.

But increased dedication to professionalism by a competitor could prove to be a double-edged sword, as the *Courier-Express* may step up its competition against the already vulnerable *News.*

The adverse publicity stemming from the proceedings has hurt advertising and circulation sales, the *News* says. This, coupled with a two-day strike last December during the lucrative holiday season, augmented the paper's losses. In addition, company officials say, Buffalo is a city suffering more than its share of the country's recession.

■ Despite such adversity, the *News* did increase its share of total advertising linage to 59.6%. Both companies have held their own in circulation, but that's not likely to continue in the face of a floundering economy in that city. The *News'* circulation stands at 263,235 daily and 808,044 Sunday, while the *Courier Express* has 120,750 daily and 267,975 Sunday.

Blue Chip officials remain committed to keeping the *News* despite the prospect of continued hard times. They say the *News* will ultimately earn its keep. But company execs are quick to reassure shareholders that the *News* "remains a salable property."

The company is also not averse to exploring other media property acquisitions. "We would buy more media properties if they came along at prices we thought were attractive," says Charles T. Munger, Blue Chip's chief executive officer.

Blue Chip operates a chain of 191 retail candy shops throughout the western and midwestern states and Hawaii. The chain's earnings were up nearly 20% last year.

The trading stamp part of the business has declined dramatically since 1970, from revenues of more than $124,000,000 to $17,000,000 in 1980.

MEDIA PROPERTIES:
Newspapers: *Buffalo* (N.Y.) *Evening News.*

OTHER OPERATIONS:
See's Candy Shops; Mutual Savings & Loan Assn. (80% owned); Precision Steel Warehouse (80% owned); Blue Chip Trading Stamps; Pinkerton's Inc. (35% owned).

CBS Inc.

CBS Inc., New York, is the country's second largest media company with revenues of $2.001 billion from media operations in 1980, out of a total of $4.062 billion. Broadcasting, the foundation of this multifaceted conglomerate, contributed $1.701 billion or over a third of total revenues, while the rest of the media billings came from publishing magazines and a Sunday newspaper supplement.

Profits last year totaled $193,000,000 with the largest chunk coming from the CBS/Broadcast Group, composed of CBS Radio Network, the CBS Television Network and company-owned radio and tv stations.

A cloud of uncertainty has hung over this highly profitable company, put there by chairman William S. Paley's fickleness over whom he would like to succeed him as boss at Black Rock. His latest choice for chief executive officer, former Pillsbury vice-chairman Thomas Wyman, has been CBS president for over a year.

Mr. Wyman's first full year of bottom-line responsibility has not produced particularly happy results despite anticipated record revenues and profits for the broadcast group this year. Mr. Wyman has warned stockholders to expect a modest drop in earnings because of a "massive number, a helpless number, almost a totally unreal number" of foreign currency exchange losses, stemming from the renewed strength of the American dollar abroad.

But Messrs. Paley and Wyman and Gene Jankowski, president of the CBS/Broadcast Group still have cause for feeling upbeat. If current trends continue this will be the third year of prime time leadership in the Nielsens for CBS-TV.

However, CBS has not yet regained the lost title of "world's largest advertising medium," ABC-TV continues to set the pace in sponsor billings at the convention of tv networks.

"Broadcast Advertisers Reports" estimate ABC's take at $1.367 billion for the first nine months of 1981, against $1.286 for CBS and $1.166 for NBC.

The more tantalizing challenge to CBS and the other two members of tv's Big 3 comes from the newer forms of video. Circling around and threatening to nip away at their viewers and advertisers are advertiser-supported basic cable, premium cable, superstations, two-way wired services, teletext and videotex.

CBS Inc. seems likely to stake a claim in almost any one of these fields, from satellite to home programing. So far, CBS has moved into basic catv with a pop arts network on Westar III. On the drawing board for cable are news and sports entries. ABC has an edge with joint ventures set with Westinghouse-Teleprompter for news and with ESPN's parent Getty Oil for sports.

The $30,000,000 CBS Cable operation falls under the umbrella of the broadcast group. Mr. Jankowski is keeping a close eye on it as well as experiments with teletext and videotex, two techniques for providing reading matter on the home screen.

In the case of teletext, CBS is pioneering with a product that could mean extra revenue for most of its conventional tv affiliates if the public will buy. Videotex uses wires to bring computer-based information into the home; here CBS is experimenting with AT&T. Harry Smith, vp-technology, heads this test. These two potential newcomers will have to fight it out for serious backing from CBS brass.

The CBS/Publishing Group has a familiar face as its new president. Peter Derow returned to CBS after a stint as chairman-president, Newsweek Inc., the Washington Post Co. unit. He replaced John Suhler, who went into the magazine consultancy business.

■ CBS owns 10 publications, including two acquired in 1980—*Family Weekly* and *American Photographer. American Photographer* is having its best year ever in advertising sales. Also up are *Field & Stream, Road & Track* and *Family Weekly.* The group's largest ad revenue producer, *Woman's Day,* is currently about even with 1980 ad returns. Nine of the ten are ahead when advertiser and subscriber billings are combined. The exception: *Pickup Van & 4WD.*The publishing group also sold *Sea* to Petersen Publishing earlier this year.

CBS also has nonmedia book publishers within its publishing unit, including Holt, Rhinehart & Winston and Fawcett Books, which comprised an estimated 45% of the company's publishing division revenues of $541,900,000 in 1980. Book publishing totals are not in AA's media estimates for CBS.

MEDIA PROPERTIES:
Networks: CBS Television, CBS Radio
Magazines: *World Tennis, Pickup Van & 4WD, Cycle World, Audio, American Photographer, Mechanix Illustrated, Road & Track, Field & Stream, Family Weekly, Woman's Day.*
Broadcast: TELEVISION—WCBS-TV, New York; WBBM-TV, Chicago; WCAU-TV, Philadelphia; KMOX-TV, St. Louis; KNXT-TV, Los Angeles. RADIO—WCBS (am,fm), New York; WEEI (am,fm), Boston; WBBM (am,fm), Chicago; WCAU (am,fm), Philadelphia; KMOX (am,fm), St. Louis; KCBS (am,fm), San Francisco; KNS (am,fm), Los Angeles.
Cable/video: CBS Cable: 20% interest of Netcome Inc., which owns systems in Quebec; 18.44% interest of Premier Communications, Ltd., B.C.

OTHER OPERATIONS:
CBS Theatrical Film division, CBS Records group, CBS Video Enterprises, CBS/Columbia group, CBS Technology Center.

Radio's still around, don't forget to listen

"The fact that radio has been around so long means people [advertisers] tend to forget about it, but you can't forget radio," says NBC Radio president Richard Verne. NBC Radio has hardly been forgotten, however; its 1981 revenues have "approximately doubled" last year's figures, Mr. Verne notes.

He says radio people have had to be "better marketers, programers and businessmen" to grow despite the continuous fight with other media for audience attention.

Radio stations have doubled since the 1950s to total approximately 8,000 stations today. And growing over-all network revenues could gross $200,000,000 in '81, the NBC radio chief asserts, up about a third from last year.

Mr. Verne, 42, became NBC Radio's president in February, 1981, after two years as exec vp. He has powered his company to marked gains.

The Source, his 1979 programing brainchild for the young adult market and "the first brand-new network in a long, long time" is "the No. 1 deliverer of the audience aged 18 to 34." NBC-owned WNBC (am) in New York this year became the most-heard station in the U.S. NBC Radio expects to own the maximum allowable number of fm and am stations —14— in the next five years. It now owns four am and four fm outlets, including WNBC-AM and WYNY-FM, New York and WMAQ-AM and WKQX-FM, Chicago. NBC Radio is also among the leaders in adapting satellite communications to radio.

DICK VERNE

Mr. Verne came to broadcasting the roundabout way. He started as a certified public accountant with Haskins & Sells, and spent some time as a vp with Diamond International Corp., a maker of farming machinery, before joining NBC in 1973.

Cahners Publishing Co.

Cahners Publishing Co., Boston, is the country's 68th largest media company, with revenues of about $100,000,000 from media operations for fiscal 1981 ending March 31.

Media revenues represent 67% of the company's total revenues of about $150,000,000. Revenues for 1981 were up 22% from the previous year. Cahners is the U.S. operation of Reed Holdings Inc., a United Kingdom-based company. Media revenues of Cahners come from 29 trade magazines. Most have controlled circulation, so its media revenues are primarily from advertising.

■ The trade magazines from Cahners cover several major industries, including electronics, building and construction, transportation and food service.

According to Saul Goldweitz, company president, the electronics magazines have "had a big leap" in revenues. Last year, Cahners acquired the electronics magazines published by Milton S. Kiver Publications, Chicago, including *Electronic Packaging and Production,* *Electro-Optical Systems Design* and *Semiconductor International.*

Mr. Goldweitz said that publications covering the building industry suffered in the past year, reflecting problems in the industry. "We have the leader," Mr. Goldweitz said, but the category in general was down.

The company continues to look at business publications as possible acquisitions, although Mr. Goldweitz said no acquisitions are imminent.

An adjunct to the company's trade magazines is the Cahners Exposition Group, which produces newsletters for various industry trade shows. In addition, Cahners creates audiovisual presentations for trade groups.

MEDIA PROPERTIES:
Magazines: *African Construction; Appliance Manufacturer; Brick and Clay Record; Building Design & Construction; Building Supply News; Ceramic Industry; Construction Equipment; Design News; EDN; Electronic Business; Electronic Packaging and Production; Electro-Optical Systems Design; Foodservice Equipment Specialist; Mini-Micro Systems; Modern Material Handling; Modern Railroads/Rail Transit; Package Engineering including Modern Packaging; Plastics World; Professional Builder & Apartment Business; Purchasing; Restaurants and Institutions; Security Distributing & Marketing; Security World; Semiconductor International; Specifiers Guide to Mechanical & Eletrical Products; Specifying Engineer; Traffic Management; Transportation/Distribution Equipment Directory; U.S. Industrial Directory.*

Capital Cities Communications

Capital Cities Communications, New York, is the country's 17th largest media company with 1980 revenues of $472,108,000, all from media operations. Net income was $73,213,000 through the first nine months of 1981, Capital Cities had net income of $58,119,000 on $410,632,000 in revenues.

About 60% of the company's revenues were generated by magazine and newspaper publishing, and the remainder by broadcasting, including the company's fledgling cable tv businesses.

By all accounts 1980 was a landmark year for Capital Cities, marked by the company's decision to enter the cable tv market. Until 1968, Capital Cities operated exclusively as a broadcast company, but that year it moved into publishing. Finding it increasingly difficult to invest prudently in broadcasting or publishing acquisitions ,the company moved into cable because it believed it to be not labor intensive and that cable increasingly affects traditional broadcasting and publishing.

The company's plunge into cable came in early 1980 when it acquired 80% in Omnicom of Michigan, then followed by the purchase of Clear Cablevision (Michigan), Satellite Cablevision (Indiana), Marks Cablevision (Ohio), Omnicom Cablevision of Illinois, Sandoval County Cable Television (New Mexico), and Coastal Bend Cablevision (Texas).

The company's biggest step into cable came midway through 1980, when it announced an agreement to purchase Cablecom-General, the 14th largest cable operator with more than 250,000 subscribers on 43 systems in 12 states. About $90,000,000 of the $139,000,000 purchase price was obtained via bank loans.

The deal was completed in mid 1981. Capital Cities, though long a darling of security analysts, has always functioned quietly and may be the only company of its size that does not employ a sizable public relations staff.

Chairman-chief exec Thomas Murphy characterized its low profile as "a matter of style," and said the company prefers to let its "performance" speak for it.

Acquisitions during the year included Shore Line Newspapers, a group of nine weekly and semiweekly publications along the Conneticut coastline. In 1980, the company also entered another new area—free circulation publications — with the purchase of Pennypower Shopping News, Wichita, and later launched Texas Pennypower.

SEPTEMBER 1981
A CAHNERS PUBLICATION
Package Engineering
INCLUDING
MODERN PACKAGING
DEVELOPMENTS IN OVENABLE BOARD AID ITS RESPONSE TO USERS' NEEDS
Team up cartoner, manual 'assists'
Volume runs for large glass jars at 600 a minute

One of Cahners Publishing Co.'s trade publications.

The chief exec suggested that despite its pell-mell rush into cable, "We're still the new guys on the block." Though he indicated that Capital Cities will not be in the "forefront" of supplying software to cable systems, Mr. Murphy nevertheless allowed that "we're fooling around with it a bit," especially drawing on the products of its Fairchild Publications unit, in particular *Women's Wear Daily* and *W*.

Elsewhere, Capital Cities is exploring the mutual advantages of putting some of the product generated by its newspapers on cable, particularly the *Fort Worth Star-Telegram* and the *Oakland* (Pontiac, Mich.,) *Press*, two areas where Capital Cities owns cable systems.

Meanwhile, Mr. Murphy said the company is "always looking to fill its complement" of over-the-air tv station properties," and said commercial broadcasting is "very healthy" and will stay that way at least until the end of this decade. According to the chief exec it will take at least another five to ten years before the cable tv business reaches the point where it will heavily affect broadcast tv.

Among company-owned tv stations, the ABC affiliate in Philadelphia and Buffalo continue to lead in the marketplace while its CBS affiliated stations in Raleigh and Fresno top the ratings in those cities.

But the company's Houston station is currently running third among the three network affiliates.

With the exception of the *Oakland Press* and *Wilkes-Barre Times Leader*, most Capital Cities newspapers chalked up solid performances in 1980.

MEDIA PROPERTIES:
Newspapers (dailies): ILLINOIS—*Belleville News-Democrat.* MICHIGAN—*Oakland Press*, Pontiac. MISSOURI—*Kansas City Star, Kansas City Times.* OREGON—*Albany Democrat Herald, Ashland Daily Tidings.* PENNSYLVANIA—*Wilkes-Barre Times Leader.* TEXAS—*Fort Worth Star-Telegram.* Also, three Fairchild Publications business dailies: *American Metal Market, Daily News Record, Women's Wear Daily.*
Newspapers (nondailies): CONNECTICUT—Shoreline Publications in Connecticut (*Advertiser*, Branford, East Haven, North Branford; *Branford Review, Clinton Recorder, Hamden Chronicle, Niantic News*, East Lyme, Waterford; *North Haven Post, Pictorial*, Chester, Deep River, Essex, Lyme, Old Lyme, Saybrook, Westbrook; *Shoreline Times*, Guilford, Madison, *Wallingford Post*). OREGON—*Albany Stamp Collector, Albany Stamp Wholesaler, Cottage Grove Sentinel, Gresham Outlook, Lebanon Express, Newport New-Times, Sandy Post, Springfield News.* TEXAS—Texas Pennypower, Dallas. Also, *Pennypower Shopping News*, Topeka and Wichita, Kan.; Springfield, Mo.; Tulsa, Okla. In addition, nondailies of the Fairchild Publications: *Energy User News, Entree, HFD-Retail Home Furnishings, Home Fashion Textiles, Metal Working News, Sportstyle, Supermarket News, Men's Wear, Multichannel News*, International Medical News Group, Professional Press Group.
Magazines: *W.*
Broadcasting: TELEVISION—WPVI-TV, Philadelphia; KTRK-TV, Houston; WKBW-TV, Buffalo, N.Y.; WTNH-TV, New Haven; WTVD-TV, Durham-Raleigh, N.C.; KFSN-TV, Fresno. RADIO—WPAT (am,fm), Paterson, N.J.; WZLA (am,fm), Los Angeles; WJR (am,fm) Detroit; WBAP (am) and KSCS (fm), Dallas; WKBW (am), Buffalo, N.Y.; WPRO (am,fm), Providence; WROW (am,fm), Albany, N.Y.
Cable/video: ARIZONA—Cablecom-General (Clifton/Morenci, Cobre Valley-Globe/Miami, Cottonwood, Gila Valley-Safford, Holbrook, Page, White Mountains-Show Low, Winslow); CALIFORNIA—Capital Cities Pacific Cable-Burlingame, Cablecom (Modesto/Oakdale), Total Television of Santa Rosa; ILLINOIS—Omnicom Cablevision (Highland Park, Deerfield, Highwood); INDIANA—Satellite Cablevision (Witeland, North Witeland, Greenwood); IOWA—Cablecom (Sooland-Sioux City); KANSAS—Cablecom (Abilene, Beloit, Clay Center, Concordia); MICHIGAN—Clear Cablevision (Chelsea, Dexter, Dundee, Manchester, Milan, Saline), Omnicom (Belleville, Canton, Hamtramck, Northville, Plymouth); MISSISSIPPI—Cablecom(Clarksdale/Lyon, Gulfport); MISSOURI—Cablecom-General (Brookfield, Joplin/Webb City, Kirksville), Trenton Cable TV Co. (Trenton);NEBRASKA—Cablecom-General (Norfolk); NEW MEXICO—Cablecom-General (Roswell), Sandoval County Cable TV (Rio Rancho); NORTH DAKOTA—Cablecom-General (Fargo); OHIO—Marks Cablevision (Green Township, Franklin Township and Coventry Township); OKLAHOMA—Cablecom-General (Altus, Ardmore, Hobart, Idabel, Mangum, Miami, Ponca City); TENNESSEE—Cablecom-General (Dyersburg); TEXAS—Cablecom-General (Childress, Bonhum, Denison, Lanpassas, Memphis, Port Lavaca/Point Comfort, Ruskin, Sherman, Wellington), Community Cablevision of Odessa, Coastal Bend Cablevision (Taft, Aransas Pass, Gregory, Ingleside).

Central Newspapers

Central Newspapers, Indianapolis, Ind., is the country's 30th largest media company, with estimated 1980 revenues of $211,000,000, all from newspapers, including papers in Indianapolis and Phoenix. The privately owned company publishes nine daily newspapers with a combined circulation of 750,000.

During the past year there have been no changes in either holdings, acquisitions or personnel, and none is planned for the immediate future. The primary concern of this company's newspaper business, says exec vp Eugene S. Pulliam, is to "improve our newspaper product and to strive to be good citizens in the process."

In recent years, Central Newspapers has expanded buildings and facilities in its three major markets—Indianapolis, Muncie, Ind. and Phoenix. Other capital improvements have included computerization of its newspaper operations.

Although the company voiced no planned acquisitions or expansions, it is looking into cable involvement on a minor scale. Specifically, Central is considering leasing cable channels for news and advertising. Production of programs is also under consideration, according to a company exec.

MEDIA PROPERTIES
Newspapers: ARIZONA— *Arizona Republic, Phoenix Gazette; INDIANA—Indianapolis Star* and *Indianapolis News; Muncie Press* and *Muncie Star; Vincennes Sun Commercial.*

Charter Co.

Charter Co., based in Jacksonville, Fla., is the country's 23rd largest media company, with estimated revenues from media operations of $296,000,000 in 1980, or 6.5% of total revenues of $4.56 billion.

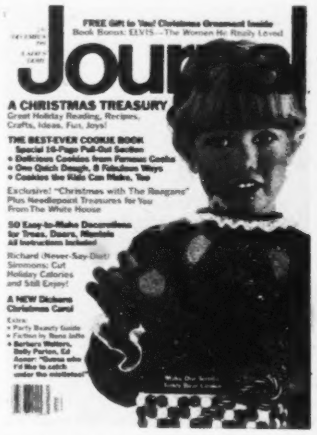
Charter's principal business is oil, but its media properties include *Ladies Home Journal, Redbook* and the *Philadelphia Bulletin*. Including *Sport* magazine, sold earlier this year, magazines accounted for 50% of media revenues last year.

Charter's communications group has been a disappointment to the company, which has actively acquired and divested media properties in recent years attempting to make the group profitable. At the end of October, Charter president John P. Donnell announced that the communications group broke even for the third quarter of 1981, excluding operations of the *Bulletin*, which continued to be a substantial money loser.

The group's problems were complicated by a brief 50-50 joint venture with media entrepreneur Karl Eller, known as Charter Media Co. In late April, 1980, Charter's communications businesses became part of Charter Media, which also purchased the ailing *Bulletin*, for $31,000,000; radio station K101-FM, San Francisco, and New York Subways Advertising.

■ The liaison ended early last January after only nine months, and Charter Co. bought back Mr. Eller's 50% share in the company, including the *Bulletin* and K101. Mr. Eller retained New York Subways Advertising.

Hoping to stem the decline of the *Bulletin*, which lost an estimated $1,000,000 a month in 1980, Charter in May, 1980, installed former Gannett Co. publisher N. S. (Buddy) Hayden as the *Bulletin's* publisher. Numerous management and policy changes followed, as Craig Ammerman, former managing editor at the *New York Post*, was named editor; John J. McCabe, previously a senior vp at the *New York Times*, was made general manager; William Powell, once circulation director at the *Dallas Times Herald*, took over the same post at the *Bulletin*, and new faces appeared in the advertising department under Robert Keim, who remained ad director. By the end of 1980, more than 150 staffers were eliminated from the payroll.


FREE Gift to You! Christmas Ornament Inside
Journal
A CHRISTMAS TREASURY
Great Holiday Reading, Recipes, Crafts, Ideas, Fun, Joys!
THE BEST-EVER COOKIE BOOK
Special 16-Page Pull-Out Section
Exclusive! "Christmas with The Reagans"
50 Easy-to-Make Decorations
A NEW Dickens Christmas Carol

Regional editorial is planned for Charter's *Ladies Home Journal.*

But with a turnaround still not imminent, Charter last summer announced it would fold the *Bulletin* in August if it couldn't reach new labor agreements with the paper's eight unions. In last minute negotiations, Charter obtained $5,000,000 in wage concessions, giving the *Bulletin* a reprieve for

A sharp reflection of the 'Journal'

WARREN PHILLIPS

At a time when many newspaper executives are hired for their management and financial expertise and feel more at home in the boardroom than in the newsroom, Warren Phillips is a bit of an anomaly.

The 55-year-old chairman and chief executive of Dow Jones & Co. started as a copy reader on the company's *Wall Street Journal* and worked his way through a variety of editorial jobs, ranging from the Journal's "What's News" column to covering the lifting of the Berlin Blockade, to the top of the $530,000,000 company.

Even after he became president of Dow Jones and its No. 2 exec in 1971, he continued to write. While on a trip to China in 1972 he filed several stories for the *Journal*, his byline identifying him only as a "Staff Reporter of the *Wall Street Journal*."

The well spoken, self-assured Mr. Phillips—an editor of another publication calls him "slick but not gushy"—in some ways epitomizes the *Journal* itself: He has become a respected and influential figure in journalism, but has eschewed a flashy high profile of fiery speeches and controversial statements. He leaves the impression that he prefers to let the daily work of the paper do most of the speaking for himself and the company.

What it speaks of is great success: A daily circulation of 1,900,000, the largest of any daily paper, and such heavy demand for ad space that the paper last month had to put advertisers on a waiting list.

Under the Queens College graduate's leadership, Dow Jones has continued to expand and innovate. The *Journal's* rapid circulation growth stems in no small part from the company's pioneering use of regional printing plants linked by satellite. It has launched an Asian edition of the *Journal* and reportedly plans a European edition as well. Earlier this year, the company bought a 25% share of Continental Cablevision.

But Mr. Phillips hasn't hesitated to drop plans for which the company originally held high hopes. After returning from a long return visit to China recently, he scrapped the proposed *Wall Street Journal Magazine*, which had been under serious study for a year.

There is little doubt within Dow Jones that Mr. Phillips calls the shots on such matters, although some staffers suggest that he occasionally ignores the market research and acts with the gut instincts of a reporter. "Whether we go with the magazine or not will depend on how Warren feels when he wakes up the day we make the decision," one *Journal* editor said shortly before the magazine idea was killed.#

the time being.

Charter Co. did manage to sell *Sport* magazine, a perennial money-loser, to Southwest Media Corp., Dallas, last April. In addition, after an unsuccessful attempt to sell its Ohio-based Dayton Press unit, which prints Charter and other publications to employes, Charter decided to phase out the operation over the next year.

Dayton Press which has operated at a loss since 1978, printed Charter's magazines and had contacts with *Reader's Digest*, *McCall's* and *Scholastic* magazines, that weren't renewed.

Charter has pledged to sink funds from the sale of *Sport* into the *Ladies Home Journal* and *Redbook*. The company is "going full tilt to really spruce up" the two women's magazines, said Tom Kenney, president of subsidiary Charter Publications.

Ladies' Home Journal with 1980 revenues of $108,299,000, according to *Folio*, experienced a 1.2% decrease in circulation last year, giving it a 12.4% market share among women's mass market magazines. *Redbook*, with 9.7% of that market, took in total revenues of $96,860, on a 1.9% decrease in circulation. The magazines both suffered a decline in ad pages.

Part of the primping in women's books was apparent in July, when Charter announced that *LHJ* would become the first national magazine to offer regionalized editorial coverage, through a special southern edition set to debut next spring and appear five or six times a year. In another move, the publishing group last February formed Charter Publishing Development Co. to package *LHJ* and *Redbook* into tv, cable and videodisc programing and software. James P. Smith, president of Charter's communications group, referred to the project as "taking our print and offering a new vehicle for it."

Lenore Hershey, who had been editor-in-chief of *LHJ*, was named president-editorial director of the new unit, and Myrna Blyth, formerly executive editor-vp at *Family Circle*, was hired to take over at *LHJ* as editor-in-chief and vp.

In broadcasting, Charter has embarked on a program to develop am and fm combinations "in markets offering a significant profit potential," and has made marketing and format changes in its existing properties. Charter also intends to purchase KITT (fm) in San Diego if it receives FCC approval.

MEDIA PROPERTIES:
Newspapers: *Philadelphia Bulletin.*
Magazines: *Discount Merchandiser, Ladies Home Journal, Redbook.*
Broadcasting: WOKY (am), Milwaukee; WMIL (fm), Waukesha, Wis.; KSLQ (fm), St. Louis; WDRQ (fm), Detroit; KCBQ (am), KITT(fm), San Diego; K101 (am), San Francisco.

OTHER PROPERTIES: Charter Oil Group; Charter Insurance Group; Subscription services for publishing, direct mail and fund-raising industries; direct marketing of gift items#

Christian Science Publishing Society

The Christian Science Publishing Society is the country's 89th largest media company, with revenues totaling $58,400,000 from media operations in 1980. It is a private nonprofit operation, with publication of the four national editions and one international edition of the daily *Christian Science Monitor* accounting for most of the revenues.

The Publishing Society isn't interested in acquisitions, but it has gradually expanded the *Monitor's* news service.

A few years ago it began producing weekly radio stories and this year has increased the number of radio stations using the service to more than 100. The *Monitor*, which has a news syndication arm, switched its distribution outlet from the *Des Moines Register* to the *Los Angeles Times*.

There were no changes in the *Monitor's* production system, although in recent years the paper began remote printing in three locations—Chicago, Los Angeles and in New Jersey.

■ The paper originates in the Publishing Society's headquarters city, Boston. It has also made the complete switch to electronic editorial operation and cold type printing.

On the editorial side, the *Monitor* instituted its special take-out sections on countries during 1981. The business coverage was also expanded during the past year.

Circulation, which stands at about 165,000, has dropped slightly from 1980 levels. The decline has happened, said Mr. Periton, despite an intense direct mail effort and promotion during the past few years.

The paper is making an effort to motivate and "energize" the circulation representatives, said Mr. Periton, and the additional international focus is counted on to attract more readers. But an independent report in early 1981 indicated that the *Monitor* has a high pass-along rate, with the circulation of 165,000 yielding a readership of about 1,000,000.

Like other newspapers, the *Monitor's* ad revenues have suffered because of the soft economy. But Mr. Periton said retail advertising was surprisingly strong in 1981. The *Monitor* takes no liquor, cigaret, medicine or coffee advertising.

The *Monitor* has been working to get more corporate advertising, keying it to the business and special international sections in particular. The paper is also revising its commission structure for its ad representatives, many of whom are from local churches around the country.

The commission rates will be increased to create more motivation to boost newspaper ad sales.

Although there are no definite plans at the moment, *Monitor* officials are examining the possibilities of some kind of connection with cable tv as a supplier of news and features.

There was little change in the other activities of the company,which produces a variety of Christian Science church publications. The only major personnel change in 1981 was that DeWitt John, formerly editor of the *Monitor*, was named editor of the *Christian Science Journal, Herald* and *Sentinel*—the three major church-related publications.

MEDIA PROPERTIES
Newspapers: *Christian Science Monitor. Christian Science Journal, Christian Science Sentinel.*

Chronicle Publishing Co.

Chronicle Publishing Co., San Francisco, is the country's 31st largest media company, with estimated 1980 revenues of $210,500,000, all from media operations.

The company is owned by the family trust of the M.H. de Young estate. Michael de Young began publishing the *San Francisco Chronicle*, the city's major morning newspaper, in 1865.

Chronicle Publishing faces two major challenges: The *Chronicle's* dominance of the morning newspaper market is being threatened by *East Bay Today*, a 2-year-old Gannett Co. paper, and ratings of KRON-TV, San Francisco, NBC affiliate owned by the company, continue to sag.

East Bay Today, published across the bay in Oakland, had a circulation of 81,772 for the six months ended Sept. 30, according to Audit Bureau of Circulations, up 37% from 59,518 during the same period in 1980. The *Chronicle's* daily circulation for the six months ended Sept. 30 was 510,955, up a bit from the 509,354 recorded in the year-earlier period.Circulation has been inching upward unspectacularly for years at an average rate of 5,000 copies a year.

■ Gannett has positioned *East Bay Today* as a 10-cent paper, while the *Chronicle* sells for 20 cents. Phil Geyer, *Chronicle* ad director, said his paper had countered with "aggressive marketing tied to sales promotion, and a close monitoring of the marketplace." A circulation drive, using heavy tv and radio advertising, was completed in October; it offered two months of the *Chronicle* for the price of one.

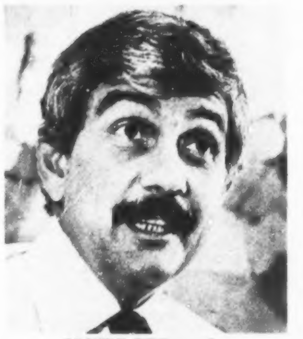
Advertising for the *Chronicle* is handled by the San Francisco Newspaper Agency, owned jointly by Hearst Corp., publisher of the afternoon Examiner, and Chronicle Publishing. Under a 1965 joint operating agreement, the agency performs all noneditorial functions for both papers. Editorial staffs are separate, collaborating only to put out a Sunday paper, the *Examiner & Chronicle*, which has a circulation of 656,087.

This operating arrangement was challenged in court earlier this year by the publisher of the *Pacific Sun*, a Marin County weekly. The *Sun* contended that the agreement to pool noneditorial labor violated antitrust laws. In June, a jury found in favor of Chronicle Publishing and Hearst. In an important personnel move, the agency last month named Joseph F. Barletta, former exec vp and general manager of the *New York Daily News*, agency president.

KRON-TV is currently third in the San Francisco market, behind top-ranked KPIX, a CBS affiliate, and No. 2 KGO-TV, an ABC affiliate. KRON ad director Dennis Fitch said the station is relying on "a whole lot of polling and research" in its attempt to boost ratings. "Our strategy is being developed by the readers," he said. "Positioning is being worked on as the product takes shape." Radio spots for the station tout its sports coverage with the tag line, "We've been listening to you; you've been watching us."

The station's problems were aggravated earlier this year by a 12-week strike beginning Feb. 1. Three unions, representing reporters, anchors and directors; electrical workers, and office personnel walked out over grievance procedures, hiring practices and wages. The dispute accelerated staff turn

Providing encouragement in the daytime



JAMES PERKINS

First came women's suffrage, then Virginia Slims cigarets. Now comes "Daytime."

"Women have new options, new choices—but where are their role models?" cries James N. Perkins, president of Hearst/ABC Video Services. To hear Mr. Perkins tell it, "Daytime," the joint venture's planned cable program, is the best thing to happen to women in years. Set to bow next March on the Modern Satellite Network, "Daytime" will show women "how to do what they want" and much, much more, Mr. Perkins says.

It will be shown from 1 p.m. to 5 p.m. ("Is there life after lunch?" a "Daytime" brochure asks.) Monday through Friday, with each four-hour show forming a "complete magazine," with segments on "self," "home," "career," and so on.

Mr. Perkins, 48, is building a career out of creating new programing for the video revolution. As president of Washburn Associates, a Chicago marketing and advertising company, he developed the "Home Shopping Show," a 30-minute talk show for advertisers. That program is now owned by Modern Satellite Network and carried to nearly 4,000,000 homes, says Mr. Perkins, who joined Hearst/ABC Video in June.

But the "Home Shopping Show" is as nothing compared with "Daytime," at least as Hearst/ABC and Mr. Perkins see it. "Daytime," they say, "is expected to become part of the daily household...a friend to turn to, an authority to rely upon...that continually provides her [modern woman] with encouragement, with hope, with a better feeling about herself...and her ability to cope with the world."#

over while interrupting KRON's push for news supremacy.

That push began in earnest in April, when KRON introduced its "Live on (Channel 4) at 4" news format, aimed at capturing the early news viewer.

The company named Francis A. Martin, former KRON vp and station manager, to the post of president and ceo of Chronicle Broadcasting last January. He was succeeded at KRON by James H. Smith, former president and general manager of the company's Omaha tv station, WOWT.

Chronicle Publishing's cable tv arm, Western Communications, Walnut Creek, Cal., operates five cable tv systems serving 150,000 subscribers. The cable subsidiary ranks 27th in the country in number of subscribers. Its largest market is Monterey, Cal, with 55,000 subscribers.

Wescom, Western Communications' pay tv unit, is involved in preproduction financing of feature films and distribution of films to the pay tv market.

MEDIA PROPERTIES

Newspapers: *Bloomington* (Ill.) *Daily Pantagraph, San Francisco Chronicle, San Francisco Sunday Examiner & Chronicle* (jointly owned with Hearst Corp.).

Broadcast: TELEVISION—KRON-TV, San Francisco; WOWT-TV, Omaha; KAKE-TV, Wichita; KUPK-TV, Garden City, Kan.

Cable/video: Western Communications, serving subscribers in Asilomar Beach, Butte County, Carmel-by-the Sea, Carmel Valley, Clayton (80%),Concord, Contra Costa County (80%), Corning, Del Monte Forest, Del Rey Oaks, Glen County, Marina, Monterey, Monterey County, Orland, Pacific Grove, Salinas, San Mateo County, Seaside, South San Francisco and Chico, Willows, all in California, and in Dona Ana County, Los Cruces and Mesilla, N.M.

OTHER PROPERTIES:

Wescom (preproduction film financing and distribution of films to pay tv stations); Chronicle Productions (tv production).

Copley Newspapers

Copley Newspapers, La Jolla, Cal., is the country's 37th largest media company, with estimated media property revenues of $191,500,000 in 1980, almost all from the company's newspaper holdings.

The family-owned Copley operates nine daily, one twice-weekly and 20 weekly newspapers. The papers are located mostly in California and Illinois, the birthplace of Copley Newspapers. The 170-year-old *Aurora* (Ill.) *Beacon-News* was the first Copley paper.

Ever since company founder Col. Ira Copley, a prominent legislator, sold his Aurora gas company and moved the newspaper operation to near San Diego, the headquarters have remained there.

- Copley Newspapers moves cautiously in its business dealings. Its most recent acquisition dates back almost a decade, when it bought the *Wheaton* (Ill.) *Daily Journal*. And the company was in broadcasting at one time, but has divested itself of the broadcasting properties.

However, says a company spokesman, the company is not averse to looking at other media fields. Copley is one of seven bidders on a cable franchise in Torrance, Cal., for example. The bid, submitted jointly with Colony Communications, is expected to have its fate determined after the first of the year.

The company may also join Time Inc. and Cox Cable in separate but simultaneous videotex experiments in San Diego. The city, which is one of the largest cable markets in the country, is a fertile field for computerized cable experiments. Copley's role, though not yet clearly defined, will most likely be to provide the bulk of local news information that would be broadcast to cable audiences. Cox will launch its trial run on or around Jan. 1.

Copley has implemented computer systems in all its newspaper production facilities. The most recent improvement was installing a computerized system at the *Torrance Daily Breeze* that ties editorial and classified advertising into a single system.

The *Springfield* (Ill.) *State Journal-Register* completed production facilities last year. A new business building housing all nonproduction departments is slated for completion in mid-1982, bringing the Springfield facelift to an end.

Newspapers in the fast lane (north and south):

Top gainers	Average circulation six mos. ended 9/30/81	% change from year-earlier period
1. New York Post	764,387	+16.3%
2. Washington Post	635,439	+ 8.2%
3. Rocky Mountain News	399,264	+ 7.8%
4. Houston Chronicle	384,305	+ 7.3%
5. Detroit Free Press	622,129	+ 2.9%

Top losers	Average circulation six mos. ended 9/30/81	% change from year-earlier period
1. Philadelphia Bulletin	397,397	– 8.5%
2. Chicago Tribune	754,043	– 3.9%
3. Milwaukee Journal	308,426	– 3.2%
4. New York Daily News	1,483,333	– 2.7%
5. Los Angeles Herald-Examiner	281,533	– 1.4%

Source: Audit Bureau of Circulations. Rankings cover the top 25 papers in daily circulation.

Some significant changes took place at the *San Diego Tribune* in the past year. First, Neil Morgan, a columnist for 30 years with the paper, became its editor in March. Next, at a time when the death knell is being sounded for a number of afternoon newspapers, the *Tribune* increased its circulation by 2,000 from March to September (it now stands at about 126,000, while the morning *Union* has a circulation of about 206,000).

Under Mr. Morgan, the paper dropped the "Evening" tag and was redesigned.

In addition, the financial section was expanded, a new section was added and top talent was recruited from such publications as the *Los Angeles Times*, the *International Herald Tribune* and the Associated Press. The paper also opened a Mexico bureau in Tijuana, which is just across the border from the San Diego area.

Fulfilling a dream of her late husband's, publisher Helen K. Copley broke ground in La Jolla for the James S. Copley Library to house his extensive collection of American Revolutionary War material and other American items of historical significance.

MEDIA PROPERTIES

Newspapers (dailies): ILLINOIS—*Aurora Beacon-News, Elgin Courier-News, Joliet Herald News, Springfield State Journal-Register, Wheaton Daily Journal.* CALIFORNIA—*San Diego Tribune, San Diego Union, San Pedro News-Pilot, Torrance Daily Breeze.*

Newspapers (nondailies)—*Borrego* (Cal.) *Sun.* Also, 20 nonpaid circulation weeklies and shoppers associated with the dailies.

OTHER OPERATIONS:

Copley Press, Casa del Zoro (resort hotel).

Courier-Journal & Louisville Times Co.

Courier-Journal & Louisville Times Co. is the country's 53rd largest media company, with estimated revenues of $136,200,000 from media operations in 1980. The Bingham family-owned company publishes the Louisville Courier-Journal and the *Louisville Times.* It also owns WHAS (am) and WHAS-TV in Louisville.

Media figures do not include revenues from Standard Gravure Corp, a subsidiary of the Bingham family enterprise.

The Bingham operations underwent several personnel and format changes this past year. George Gill, president, announced a major realignment of duties for various key officers of the companies last March.

Mr. Gill heads a new corporate executive committee consisting of Barry Bingham Jr., editor and publisher of the papers and vice-chairman of WHAS Inc; Bernard F. Block, senior vp-operating financial analyst; Earl Bullard, senior vp in charge of personnel, labor and safety; Cyrus L. MacKinnon, exec vp, formerly chief exec, who has announced his retirement at the end of 1981, and John L. Richards and Leon Tallichet, senior vps.

The executive committee will oversee the operations of all the companies and will aid operating company heads by providing staff services.

In setting forth major goals for the Bingham operations, Mr. Gill said this corporate structure would allow the companies to maintain operations and seek new areas to develop.

At the end of March, the afternoon *Times* completed its second major editorial redesign in six years. The *Times* adopted a three-section paper, plus a food section on Wednesdays and a Weekend section on Friday. Section A consists of news (wire, local and business) plus editorial and op-ed pages. Section B (called Times 2) contains features on spending, health, entertainment, personal growth and development, the arts, and relations between the sexes and the generations. Section C is sports and classified.

The paper also changed its appearance, adopting a new headline face and a new Page 1 nameplate. "We wanted to look bolder and cleaner and to be more legible," said *Times* managing editor Leonard Pardue.

The pages have entered into a joint effort with Antiope Videotex Systems to develop a prototype cable and broadcast teletex system for and distribution of news information and advertising.

News, sports and weather, along with classified advertising will be offered once the project is in place, which is scheduled for next February.

"It is our hope," said Morris Goldstein, vp of information products for the papers, "that, using Antiope technology, we can develop a model system which can be offered to small and medium-size newspapers throughout the country. We intend to develop a commercially viable product, which at the same time will offer an important public service to our subscribers."

- *TV Week*, a 24-page tabloid section was introduced in the Sunday *Courier-Journal* in September. The locally-produced section contains tv listings, cable listings and highlights for stations throughout Kentucky and southern Indiana.

"This is one of the most important developments for the *Courier-Journal* in many years," said David Hawpe, managing editor. "This will help us bolster the important Sunday product here and in the region. And it will bring us into the cable era with a fundamental service."

MEDIA PROPERTIES:

Newspapers: *Louisville Courier-Journal, Louisville Times.*

Broadcasting: TELEVISION—WHAS-TV, Louisville. RADIO—WHAS (fm), Louisville.

Cox Broadcasting Corp.

Cox Broadcasting Corp., Atlanta, is the country's 24th largest media company, with media revenues of $281,020,000 in 1980. Revenues from broadcasting totaled $155,140,000, or 91% of the company's total revenues of $309,232,000. Cable operations provided $125,888,000 in revenues, or 41% of total revenues. Operating profit in 1980 was $89,379,000.

The publicly held company has 17 broadcasting properties, including five vhf television stations, five am and seven fm radio stations. They are located in nine markets throughout the country.

The television markets consist of Atlanta, Dayton, Charlotte, Pittsburgh and San Francisco-Oakland. Acquisition of a vhf station in St. Louis is pending. Cox radio is heard in these areas and in Baltimore, Miami, Philadelphia and Los Angeles.

Over the next five years Cox expects to add 150,000,000 homes to its broadcast audience.

Cox this year has begun what it calls, "an extensive marketing effort" in its cable division, which is the fourth largest U.S. cable operation. It owns or is developing channels in 222 franchised communities and consists of 61 systems in 23 states.

Its San Diego system is the largest in the U.S. Cox Cable passed the 1,000,000 subscriber mark in August.

Cox Cable has developed INDAX service, a two-way interactive communications operation. INDAX, used in the San Diego area by 206,000 subscribers, allows its users to shop and bank from their homes. Similar systems are being developed in Omaha and New Orleans.

The company made two significant personnel changes recently when it named former president Clifford Kirtland Jr. as chairman and former exec vp William Schwartz as president.

Cox entered 1980 expecting to merge with the General Electric Co., but halfway through the year that deal fell through. The company reassessed its business prospects and decided to gear itself toward the growth of its broadcast and cable operations. Cox officials emphasize that they are not considering any other merger possibilities and have told stockholders they plan to keep the company independent.

An automobile auction services contributed $25,800,000 to revenues in 1980. The company sponsors 12 auctions a year.

MEDIA PROPERTIES:

Cable/video: 62 cable locations (all Cox Cable except as noted)—ARIZONA: Tucson; CALIFORNIA: San Diego, Bakersfield, Porterville, Eureka, Santa Barbara; CONNECTICUT: Greater Hartford; FLORIDA: Ocalla, Sebring, Pensacola, Gainesville, Jacksonville Beaches; GEORGIA: Macon Warner Robins; ILLINOIS: Lake County, Park Forest, Maywood, Orland Park, Quint Cities, Robinson; IOWA: Cedar Rapids Cable Communications; INDIANA: Peru, Wabash, Columbus, Michigan City, Ft. Wayne Cablevision; LOUISIANA: New Orleans and Jefferson Parish; MASSACHUSETTS: Berkshire; MICHIGAN: Iron Range, Munising, Saginaw, Owosso, St. Clair Shores; NEBRASKA: Omaha; NEW YORK: New York and Cox Cable Resort; OHIO: Cleveland Area TV; OKLAHOMA: Oklahoma City and Pan-Oklamoma Communication; OREGON: Astoria, Seaside, The Dalles; PENNSYLVANIA: Lewistown, Lock Haven, Tyrone; Rhode Island: Cranston/Johnston; South Carolina; TEXAS: Lubbock and Golden Triangle Communications; VERMONT: Green Mountain, Montpelier, Rutland; VIRGINIA: Norfolk, Portsmouth, Virginia Beach, Roanoke; WASHINGTON: Yakima, Long Beach, Aberdeen, Spokane, Vancouver.

Broadcasting: TELEVISION: WSB-TV, Atlanta; WSOC-TV, Charlotte; WHIO-TV, Dayton; WIIC-TV, Pittsburgh; KTVU-TV, San Francisco-Oakland. RADIO: WSB (am, fm), Atlanta; WHIO (am, fm), Day ton, O.; WIOD (am) and WAIA (fm), Miami, O.; KFI (am) and KOST (fm) Los Angeles; WLIF (fm), Baltimore; WWSH (fm) Philadelphia; WSOC (am, fm) Charlotte, N.C.

OTHER OPERATIONS: Automobile Auction Services, Bing Crosby Productions, CoxData Service.

Cox Enterprises

Cox Enterprises is the country's 18th largest media company with media revenues of $367,600,000 for 1980, all coming from its newspaper division. The privately held company has 15 daily newspapers and three nondailies. The chain's circulation has dipped in recent months. Combined circulation for the six months ended Sept. 30 averaged 1,103,366, down 2.3% from 1,129,470 in the year-earlier period.

Cox Enterprises has holdings in Georgia, Texas, Ohio, Arizonia and Florida.

The *Atlanta Constitution* and *Journal* act as flagship for the Atlanta-based chain but these papers have also lost circulation, posting a combined average of 386,716 for the six months ended Sept. 30 vs. 413,317 for the same period last year. The second largest members of the chain are the *Dayton* (O.) *Daily News* and *Dayton Journal Herald*, which have also had a slight circulation dip with totals of 235,759 for 1981 and 239,553 for 1980.

During the late 1970s Cox Enterprises acquired some of its current smaller dailies and weeklies but has maintained a lower profile during the 1980s. The company is still interested in adding newspapers to its stable but considers today's strained economic environment an obstacle to that effort. "We are always looking for good acquisitions but have not seen anything that would make it worth taking the chance" said one company official.

- Chairman of the family-owned Cox organization is Garner Anthony, 52, who is married to Barbara Cox, a major shareholder. Mr. Anthony, a lawyer, is also the chairman of Cox Broadcasting Co., a publicly held television and radio concern that is treated as a separate entity in ADVERTISING AGE'S media company listing.

For the past year the corporate organization has remained stable with the only new top-level addition being David Easterly as vp-operations for the newspaper group.

MEDIA PROPERTIES
Newspapers: ARIZONA—*Mesa Tribune, Tempe Daily News.* COLORADO—*Grand Junction Daily Sentinel.* FLORIDA—*Miami News, Daytona Beach Journal (47% interest), Daytona Beach News (47% interest), Palm Beach Post, Palm Beach Times.* GEORGIA—*Atlanta Constitution, Atlanta Journal.* OHIO—*Dayton Daily News, Dayton Journal Herald, Springfield News, Springfield Sun.* TEXAS—*Austin American Statesman, Longview News, Austin Morning Journal, Lufkin News, Port Arthur News, Waco Tribune-Herald.* Also, weeklies based in Gretna, La.

Des Moines Register & Tribune Co.

The Des Moines Register & Tribune Co. is the nation's 72nd largest media company with 1980 operating revenues of $86,100,000, and net earnings of $6,800,000. The privately held company is expected early next year to merge with its sister company, the Minneapolis Star and Tribune Co. The two companies already share board seats and own stock in one another.

Although the Des Moines company's revenues last year were only 40% of those of the Minneapolis concern, its net earnings were almost equal to those of the Minneapolis company.

The Des Moines company has proceeded more slowly in exploring alternate communication systems than its sister company. For example, it wasn't until this fall that Register and Tribune Co. ventured into cable programing. In conjunction with Heritage Communications, it is producing local and state news programing for the Des Moines area cable tv system.

A formal merger with the Star and Tribune Co. would allow the Des Moines company to share the expertise the former concern has gained through its operation of a cable system in Buffalo, N.Y., and its participation in Compuserve Inc., of Columbus, O.

THE WALL STREET JOURNAL.
What's News—
Washington Wire

Advertising linage at both of Dow Jones & Co.'s major business publications—the *Wall Street Journal* and *Barron's*—was up in 1980.

- The Des Moines company's mainstay continues to be its newspaper operations. The flagship daily newspapers, the morning *Register* and afternoon Tribune, have had a lot of advertising and editorial overlap in recent years. To differentiate the two newspapers, the *Tribune* this fall was repositioned as a metropolitan evening newspaper, circulating in Des Moines, its suburbs and parts of eight surrounding counties.

Repositioning of the Tribune required a cutback in circulation in 22 counties with 8,000 subscribers, reducing total circulation to about 75,000. Circulation of the daily *Register* is about 210,000 and the Sunday *Register* about 400,000.

MEDIA PROPERTIES:
Newspapers: *Jackson* (Tenn.) *Sun*; *Des Moines Register*; *Des Moines Tribune*; *Waukesha* (Wis.) *Freeman.* Also, two weekly newspapers in Independence, Ia.—the *Conservative* and the *Independent*.
Broadcasting: KHON-TV, Honolulu; KAII-TV, Wailuku, Hawaii; KYXI and KGON-(fm), in Portland, Ore.; KLAK and KPPL-(fm), Denver; WIBA and WIBA-(fm), Madison, Wis.

OTHER OPERATIONS:
Thirteen per cent of the stock of the Minneapolis Star & Tribune Co.

Deserert Management Corp.

Deseret Management Corp., Salt Lake City, through its Bonneville International Corp., is the country's 86th largest media company, with media revenues of $61,260,000 in 1980.

Bonneville, also based in Salt Lake City, is the broadcasting arm of the Church of Jesus Christ of the Latter-Day Saints, with four am and seven fm stations and two tv stations, along with a 50% ownership of an 8,100 subscriber cable system in Logan, Utah.

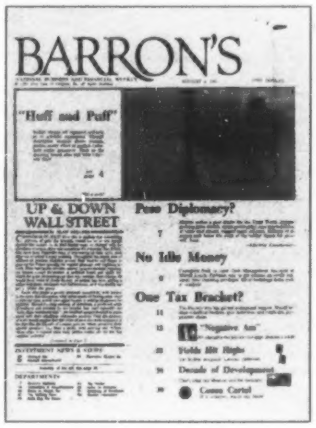
Bonneville won't disclose a total revenue figure, but president Arch L. Madsen said it was "well above the $100,000,000 mark" last year. Bonneville "strives for a 15% increase in growth yearly," he said.

The company's main thrust next year will be advancing the teletext system pioneered by Bonneville in cooperation with Zenith Radio Corp. Teletext is based on the British Ceefax system, which permits transmission of up to 50,000 words per minute.

Bonneville, granted the first experimental license for the system in the U.S. in June, 1978, recently petitioned the FCC for approval to grant licenses to stations nationwide. Mr. Madsen said that Bonneville "is anxious to see this system go national" and indicates that the company's heavy promotion of teletext is part of Bonneville's "continuing efforts to stay on top of this technological explosion.

"Broadcasting has been the No. 1 source of news and information for the American public, and we're doubling our efforts to earn this very responsible opportunity [providing teletext nationally]," Mr. Madsen added.

Mr. Madsen was tapped by the National Assn. of Broadcasters as the recipient of its 1981 Distinguished Service Award. Bonneville has just signed a contract leasing four more satellites for the company starting in 1984. Bonneville currently operates the Bonneville Satellite Corp. out of Salt Lake City and owns a channel on West Star One.



MEDIA PROPERTIES:
Broadcasting: TELEVISION: KSL, Salt Lake City; KIRO, Seattle. RADIO:CALIFORNIA-KBIG (fm) Los Angeles; KOIT (fm), San Francisco; ILLINOIS-WCLR (fm), Skokie; MISSOURI-KMBZ (am), KMBR (fm), Kansas City; NEW YORK-WRFM (fm), New York; TEXAS-KAAM (am), KAFM (fm), Dallas; UTAH-KSL (am), Salt Lake City; WASHINGTON-KIRO (am), KSEA (fm), Seattle.
Cable/video: Bonneville Satellite Corp.

OTHER OPERATIONS
Bonneville Broadcast Consultants; Torbet Radio Representatives, New York; Radio Data Services, Salt Lake City; Bonneville Productions, Salt Lake City.

Donrey Media Group

Donrey Media Group, Fort Smith, Ark.,is the nation's 61st largest media company with estimated total revenues of $120,000,000 for 1980.

A privately held company, Donrey owns 41 dailies and 39 nondaily newspapers, one television station, seven radio stations, 11 outdoor advertising plants, a microwave transmitter network and three cable television companies.

- Donrey serves nearly 8,000,000 people every day with news, entertainment and information. The group operates companies in the District of Columbia and 17 states: Arkansas, California, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Mississippi, Missouri, Nevada, New Mexico, Ohio, Oklahoma, Oregon, Texas and Washington.

The company's most recent acquisition was the *Durant Daily Democrat*, a daily newspaper in Durant, Okla., purchased in November, 1981.

Also added in 1981 are the *Redlands Daily Facts*, a California newspaper; KOCM-(fm), Newport Beach, Cal.; and KEXO, Grand Junction, Colo.

Founder and president of the company, Donald W. Reynolds, said, "The opportunities of the Donrey Media Group are limited only by our imagination."

Mr. Reynolds worked for newspapers from Texas to Massachusetts before buying his own newspaper, the *Quincy Evening News*, Quincy, Mass. He later sold the *News* and in 1940 bought the *Okmulgee Daily Times* in Oklahoma and the *Fort Smith Southwest American* and the Times Record in Fort Smith, Ark. and began the Donrey Media Group.

Donrey is committed to continued growth, and to pioneering technology, according to its founder. The Donrey Group has contributed to research on a revolutionary laser platemaker. That platemaker was the first of its kind to be used successfully and is in operation at Donrey's largest newspaper, the *Las Vegas Review Journal*, in Las Vegas, Nev.

MEDIA PROPERTIES:
Newspapers (dailies): ARKANSAS—*Southwest Times Record*, Fort Smith; *Northwest Arkansas Morning News*, Rogers; *Springdale News.* CALIFORNIA—*Lompoc Record, Ontario Daily Report, Pomona Progress Bulletin, Red Bluff Daily News, Redlands Daily Facts, Vallejo Times-Herald.* HAWAII—*Hawaii Tribune-Herald*, Hilo. INDIANA—*Washington Times-Herald.* IOWA—*Oskaloosa Herald.* KENTUCKY—*Glasgow Daily Times.* MISSISSIPPI—*Picayune Item.* MISSOURI—*Macon Chronicle, Moberly Monitor-Index.* NEVADA—*Carson City Nevada Appeal, Ely Daily Times, Las Vegas Review-Journal.* OKLAHOMA—*Bartlesville Examiner-Enterprise; Blackwell Journal-Tribune, Chickasha Daily Express, Durant Daily Democrat,Frederick Daily Leader, Guthrie Daily Leader, Guymon Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Okmulgee Daily Times, Paul's Valley Daily Democrat, Pawhauska Daily Journal-Capital, Wewoka Daily Times.* TEXAS—*Borger News-Herald, Clebourne Times Review, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat, Sweetwater Reporter, Weatherford Democrat.* WASHINGTON—*Aberdeen Daily World.*
Newspapers (nondailies)—39 nondailies in nine states, including *Booneville* (Ark.) *Democrat; West Hawaii Today*, Kailua-Kona, Hawaii; *Oskaloosa* (Ia.) *Shopper; Poplarville* (Miss.) *Democrat; Randolph County Times;* Huntsville, Mo.
Broadcasting: TELEVISION—KOLO-TV, Reno, Nev. RADIO—KFSA(am) Fort Smith, Ark.; KBRS (am), Springdale, Ark.; KOCM (fm), Newport Beach, Cal.; KEXO (am), Grand Junction, Colo.; KOLO (am) Reno, Nev.; KORK (am,fm), Las Vegas.
Cable/video: North Bay Cable TV Co., serving Vallejo, Cal.; Bartlesville Video, serving Bartlesville and Dewey, (20% ownership) Okla.; Kilgore Cable TV Co., serving Kilgore, Tex. (50% ownership).

Dow Jones & Co.

Dow Jones & Co., New York, is the country's 16th largest media company, with media operation revenues of $493,300,000 in 1980, or 93% of total revenues of $530,700,000.

National publications and news services accounted for nearly three-quarters of total revenues, while community newspapers and book publishing, not included in AA's media revenues figures, accounted for one-quarter of the revenue. Net income last year was $58,883,000.

The company's net income for the first nine months of 1981 was $48,000,000, up from $39,500,000 for the same period last year.

Two attempts at expansion undertaken by Dow Jones in 1981 never got off the ground. In March, the company entered into a joint venture with Knight-Ridder Newspapers to acquire UA-Columbia Cablevision Inc. The two newspaper companies wanted to use the cable system to send information into homes. In June, Dow Jones and Knight-Ridder were outbid by the duo of Rogers Cablesystems of Toronto and United Artists Theatre Circuit.

In May, *The Wall Street Journal* issued a prototype of *The Wall Street Journal Magazine*, a proposed monthly offshoot of the nation's largest weekday newspaper. The magazine addressed the nonbusiness concerns of the *Journal's* readers. In late October, the company abandoned plans for the magazine.

"Although they were generally pleased with the quality of the prototype, the readers wanted more coverage of such areas as personal finance," said associate publisher Peter Kann. "*The Wall Street Journal* has been moving in that direction for some time. We are doing more of it than we were a few years ago and we felt we could continue meeting the needs for those stories with both the *Journal* and *Barron's*."

Dow Jones made another bid for a cable tv stake in October by agreeing in principle to purchase nearly 25% of Continental Cablevision, Boston, for up to $80,000,000. Warren H. Phillips, chairman of Dow Jones, said the stock was purchased "for investment purposes and, although Dow Jones will be represented on Continental's board, Continental will maintain its independent course." Continental is the 13th largest cable television system with 410,000 subscribers in 10 states, according to the company's prospectus.

Blame the Managers
The Consumer Comeback
A Second Coming For Old King Coal?

What was once *Dun's Review* has been transformed into *Dun's Business Month.*

Aided by Dow Jones' pioneering use of satellite technology and regional printing plants, *The Wall Street Journal* has continued to grow. The paper added a second "front" page and was divided into two sections last year, partly to meet advertisers' demands for space. In 1980, circulation grew 9.2% to 1,930,400. This continued a trend that has given the *Journal* a 32% increase in subscribers and newsstand buyers over the past five years. The *Journal* had a 10.7% earnings gain in 1980.

Advertising linage was up 9.1% in 1980 from 1979. The *Journal* attributed its stronger advertising performance in 1980 to its ability to diversify its ad base so the paper depends on no single advertising category, industry or region of the country for its billings. In 1980, almost 8,400 display advertisers appeared in the *Journal*, up 5.6% from 1979 and nearly 20% above five years ago. The *Journal* estimates that its readers have an average household income of $68,600.

Barron's, Dow Jones' business and financial weekly, continued to gain in circulation and advertising in 1980. Advertising linage increased 14.3% over 1979 and circulation climbed 9.1% to 264,100.

Effective next Jan. 4, Dow Jones will raise its advertising and subscription rates for both *The Wall Street Journal* and *Barron's*. The *Journal's* national advertising rates will be increased 15% to $56,124 for a black and white page (national).

Barron's will increase its advertising rates 12% to $8,593 a page.

The *Journal's* subscription rates will rise 15.6% from $77 to $89 per year. *Barron's* subscription rate will rise 12% to $55 from $49.

Dow Jones is now considering a European edition of the *Wall Street Journal*, aimed at a "limited but influential audience," according to sources at the paper. A decision on the edition will probably be made by the end of the year. A startup date in the third quarter of 1982 is possible."We have been studying a European edition for the last decade, off and on," Mr. Kann said. "Sometimes it looks less likely that we will go ahead with it. This time it looks more likely."

MEDIA PROPERTIES:
Newspapers: *Wall Street Journal*. Ottaway Newspapers: CONNECTICUT—*Danbury New Times*. KENTUCKY—*Ashland Daily Independent*. MASSACHUSETTS—*Beverly Times; Cape Cod Times* Hyannis; *Gloucester Daily Times; New Bedford Standard-Times; Newburyport Daily News; Peabody Daily Times*. MINNESOTA—*Mankato Free Press, Owatonno People's Press. MISSOURI—Joplin Globe*. MICHIGAN—*Traverse City Record-Eagle*. NEW YORK—*Middletown Times-Herald-Record, Oneonta Daily Star, Plattsburgh Press-Republican, Port Jervis Union Gazette*. OREGON—*Medford Mail Tribune*. PENNSYLVANIA—*Pocono Record*, Stroudsburg; *Sharon Herald; Sunbury Daily Item*.
Newspapers (nondailies): *Asian Wall Street Journal, Far Eastern Economic Review* (49% interest), *South China Morning Post*, Ltd. (16% interest); Allied Newspapers in Grove City, Pa.; *Hampton* (N.H.) *Union*; *Rockingham County Gazette*, Exeter and Derry, N.H.
Magazines: *Barron's, Book Digest*.

OTHER OPERATIONS:
Dow Jones News Service; Richard D. Irwin, book publisher, a newsprint mill near Richmond, Va., (30% interest); Extel, a telecommunications equipment maker (35% interest).

Dun & Bradstreet

Dun & Bradstreet, New York, is the country's 19th largest media company with 1980 media revenues of $365,000,000.

Publishing accounted for $281,000,000 for the largest share of the media total. However, out of total company revenues of $1.17 billion the publishing segment totaled $408,378,000, which included the nonmedia operations of Funk & Wagnall's and Moody's Investors Service. Broadcast tallied $83,921,000. D&B's total profits last

She's 'just an editor,' with touch of color

PAIGE RENSE

She has been described as the "high priestess of home decor." She has been interviewed and profiled by talk show hosts and newspaper writers, most of whom are dying to know how she liked the decor of Yves Saint Laurent's Paris abode, or Barbra Streisand's living room.

She has been portrayed as leading the most glamorous of lives, jetting from one fabulous home to another, passing judgment on, and being courted by, the rich and the famous.

But if you ask Paige Rense, she's just an editor. Ms. Rense is senior vp and editor-in-chief of Knapp Communications Corp.and guiding force behind the company's *Architectural Digest*, the thick and glossy magazine for which she is best known, *Bon Appetit* and the newly acquired *Geo* The number of magazines under her responsibility will increase to five next year, when Knapp launches *Collecting* and a magazine tentatively titled *Travel*.

For all the glamor and power that supposedly have accrued to her, "what you're really doing is working very hard," the 47-year-old Ms. Rense says. "I'm not sure what people think I'll be like," she adds, "but I think what they expect is Rosalind Russell."

▪ What they find is a soft-spoken editor barely 5 ft. tall, with wavy blond hair and dark tinted glasses. She's likely to be wearing a black flounced dress with a huge silk scarf draped over a shoulder for a touch of color, and a long necklace made of gold paperclips.

Ms. Rense does decide which homes are featured in *Architectural Digest*, and thus is indeed wooed by designers and the wealthy. But she also plans coverage of art and antiques, books, gardens and architecture; reviews photograhs for publication; consults with the magazine's extensive graphics staff, and approves editorial copy—and that's just for *Architectural Digest*.

It is this high energy level and attention to detail, coupled with an uncanny sense of what readers want, that have enabled her to turn mediocre magazines into top-of-the- line best-sellers and have made Paige Rense the pride of Knapp Communications. "She has the most highly attuned sensitivity to the reader of any editor I've ever seen," says John L. Decker, Knapp's group publisher. "It's instinctive and intuitive."

"I don't know if it's trite or if it's arrogant," Ms. Rense says, "but I do the kind of magazine I would like. I'm not unique—if I think it's interesting, other people will, too."

▪ The editor-in-chief likes to tell the story of her initial job interview with Cleon (Bud) Knapp, president of Knapp Communications, in 1970. Ms. Rense, who was a free lance writer at the time, told him that *Architectural Digest* was "boring and poorly edited." Despite, or perhaps because of that, she landed a job as an associate editor of the magazine, which had a circulation of 50,000 at the time. Two years later, she was named editor-in-chief of a revamped magazine. Today's circulation is over 550,000, and 1981 ad revenues are expected to rise about 30% to about $32,000,000.

Ms. Rense says she sees herself as a "word person" first. "Of course, I've always been interested in art, but design—that just happened. I've never had any credentials."

Her success with *Architectural Digest* has won her total editorial freedom at Knapp, and the company does little if any market research on new projects. When Mr. Knapp bought *Bon Appetit* in 1975, "it was an impulse buy—he left it on my doorstep," Ms. Rense says. *Bon Appetit* has grown since then from a circulation of 250,000 to more than 1,300,000; the magazine this year will carry 1,000 pages of advertising for the first time.

Her revamp of *Bon Appetit* illustrates the Rense approach. "With our Architectural Digest background, it would have been easier for us to do a 'classical' magazine," she recalls. "But *Gourmet* already does this. Any editor with integrity would have an objective to create a magazine with her own viewpoint."

▪ On a flight from Los Angeles to New York one day, she outlined the magazine she wanted *Bon Appetit* to be. "I just thought, 'What do I want in a food magazine?' I'm a good cook, but not a great cook, and I'm very busy. I'm not that different" from the type of reader she is trying to reach, Ms. Rense says.

"I wanted to bring people into the magazine, real people, because good cooks like a network—they like to know who's doing what. Cooks are nice people—they care about love, because what you're doing is nurturing people.

"'Too busy to cook' is one of the most popular features in the magazine because it has real people, real recipes."

Now comes perhaps Ms. Rense's biggest challenge, *Geo*, which under the German publisher Gruner & Jahr lost between $35,000,000 and $50,000,000 in two years. Ms. Rense says she already has made top-level changes in the editorial staff, and that she expects a "Neo-Geo" with her trademark to appear by summer.

▪ Ms. Rense wants to "bring people into the magazine more, to show the reader the 'who and why' of the story. There will be a lot about animal behavior, and lots of exploration and discovery," she says, curled up on her pillow-laden office couch under the watchful eye of a large bronze buddha. There will be "more emphasis on the U.S.," she adds. "There's so much to discover here. How can she take on *Geo*, plan two new magazines, and still stay involved with *Bon Appetit* and *Architectural Digest*? "I'm muddling through now," she says. "I don't really divide my time. My door is always open and people just run in.

"At the beginning [of a new magazine] you're involved intensely," she continues. "Then you build your staff and they take care of the day-to-day.

But I will not step back from *Architectural Digest*. I'm involved in the orchestration of the total concept. Right or wrong it is my viewpoint. And you can't delegate viewpoint."#

year were $102,742,000. The company predicts it will hit a net income of $200,000,000 and an operating revenue by the end of 1984.

The publicly held New York-based company has been changing from a "product driven company to a market driven company," according to chairman Harrington Drake. In an attempt to zero in more effectively on the business reading market, D&B's Technical Publishing arm changed the name of *Dun's Review* to *Dun's Business Month* last year.

The company also attempted to find a niche with a publication dubbed *Output*, but the venture proved unsuccessful.

High tech oriented, D&B has introduced 30 new products that capitalize on computer innovations.

Dun & Bradstreet lost one key executive last year, vice-chairman Richard Simmons. Mr. Simmons decided to assume the presidency of the Washington Post Co., taking over from Mark Meagher. Mr. Simmons was succeeded by Charles W. Moritz, who was elected president-chief operating officer last June. Mr. Moritz had been chairman of the company. Harrington Drake, 61, continues as chairman-chief exec.

Dun & Bradstreet's publishing operations posted operating revenues of $408,378,000 in 1980, up 17.6% over 1979 and an operating income of $117,379,000, up 20.8% over the prior year.Those operations include: Reuben H. Donnelley (Yellow Pages), Moody's Investors Service, Official Airline Guides, Technical Publishing and Funk & Wagnalls. D&B boasts of a record year in 1980 in its publishing division, in spite of losses sustained in the start-up costs of the proposed computer magazine, *Output*. The magazine was designed to combat "computerphobia," to simplify computers for chief execs. According to sources, however, the magazine just never found its niche and ceos never found the time nor the inclination to learn computer basics.

Technical Publishing consists of 22 business magazines. It also produces specialized consumer books and educational training systems. Looking ahead, the company is expecting another record year for the publishing division.

In November, 1981, Dun's publishing division, Technical Publishing, acquired *Solid State Technology* from Cowan Publishing in Port Washington, N.Y. The sale also included *Solid State Buyers Guide & Directory*.

Last year, Technical changed the name of *Dun's Review*, to *Dun's Business Month*. At first, the magazine was just going to have a recap of the month's events but then decided to expand that idea to the entire magazine. So, while it continues to write trend stories, *Dun's Business Month* will provide a monthly review for business execs. The goal is one-stop reading for the busy chief exec. At the same time the magazine was renamed, it was redesigned.

Within the coming months, the Technical Publishing corps will move from Fifth Avenue to Third Avenue in a new building still under construction.

Reuben H. Donnelley joined forces last year with one of its clients, Bell of Pennsylvania and came out with the *New Neighbor Guide* for new residents of the five-county Philadelphia metropolitan area. Internationally, the company founded a new United Kingdom publishing venture, teaming up with the International Thomson Organization to publish the Thomson Directories.

Moody's Investors Service is coming out with two new investor guides: "Moody's Handbook of OTC Stocks" and an "International Manual."

The broadcast division of Dun & Bradstreet consists of Corinthian Broadcasting Television Stations division with CBS affiliates in Houston (KHOU-TV), in Tulsa (KOTV), Sacramento (KXTV), Ft. Wayne (WANE-TV) and Indianapolis (WISH-TV). Last year the company bought its first ABC affiliate, WVEC-TV in Hampton-Norfolk. With that purchase, Corinthian landed Pembroke Cable Corp., a cable network serving North Carolina and Virginia communities, and an ownership interest in three multi-point distribution system licenses.

The broadcast group also includes TVS Television Network (an independent network producing telecasts of sports and entertainment events) and PGW (Peters Griffin Woodward) (representing 45 television stations in spot sales to national and local advertisers). Now in the works is a syndicated show for young people from TVS, produced by Corinthian and called "Historyland."

Corinthian Broadcasting posted records in revenues and income in 1980. Operating revenues and income rose sharply at the television stations. Houston's station led in sales. National sales also were strong, according to the company's annual report, with significant increases from the aforementioned Houston and also from Indianapolis. Revenues and income also increased in the other two divisions. The broadcasting segment of Dun & Bradstreet's media holding posted operating revenues of $83,921,000 in 1980, a 27.5% increase over 1979, and an operating income of $36,598,000, up 25.3% over the year before.

MEDIA PROPERTIES

Magazines: *American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Consulting Engineer, Cutis, Datamation, Dun's Business Monthly, Electric Light & Power, Fire Engineering, Graphic Arts Monthly, Highway and Heavy Construction, Industrial Research and Development, Mining Equipment International, Output, Plant Engineering, Pollution Engineering, Power Engineering, Purchasing World, Solid State Technology, Software News, World Construction.*

Broadcast: TELEVISION—KHOU, Houston; KOTV, Tulsa; KXTV, Sacramento; WANE, Fort Wayne; WISH, Indianapolis; WVEC, Hampton-Norfolk.

Cable/video: Pembroke Cable Corp., a division of Corinthian, a wholly owned subsidiary of D&B has locations in North Carolina (Ahoskie, Murfreesboro) and Virginia (Emporia, Greenville County, Halifax, Halifax County, LaCrosse, Mecklenburg County, South Boston, South Hill).

OTHER OPERATIONS

Reuben H. Donnelley, Moody's Investors Service, Funk & Wagnalls, DBI Books, Sentry Data Base Publishing, TVS Television Network.

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Want to see as a Series	50	43	43	40	50	58	47
Make every effort to watch	39	30	35	31	37	41	35
"For the Whole Family"	78	93	83	93	79	78	84
The Negatives							
Not Interested	15	15	4	18	26	10	15
Would Not Watch	12	7	4	14	13	6	10

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Evening News Assn.

The Evening News Assn., Detroit, is the country's 28th largest media company, with estimated revenues of about $235,000,000, all from media operations in 1980.

The company owns a combination of profitable Sunbelt broadcast and newspaper properties, and Midwest and Northeast operations currently riding out a recession. The company's flagship paper, the *Detroit News*, suffered a slight decrease in ad linage from 1980, though Sunday linage is up slightly.

"Detroit is a depressed area. Business isn't what we would like it to be but it's not at the point where we're all ready to jump out the window," a company spokesman said. The *News* had estimated revenues of $170,000,000 in 1980.

Despite the bad economy in Detroit, the circulation wars between the *News* and Knight-Ridder Newspapers' *Free Press* continue unabated. The *News* has a slight over-all lead but the *Free Press* dominates outside Detroit. To combat that situation, the *News* opened a satellite printing station in Lansing in December, 1980 and has recently been promoting home delivery aggressively throughout the mid-Michigan area.

The rivalry between papers was temporarily tabled when a Teamsters local struck the *Free Press* and halted distribution of that paper just before the Republican convention in July, 1980. The papers produced a combined paper with a separate 24 page *Free Press* section tucked inside. The Sunday edition of the joint paper sold over 1,000,000 copies.

The company's broadcast flagship, WDVM-TV, Washington, has retained the new leadership position it had when it came to evening news from the Washington Post Co. in a station swap in 1978. Evening news has made few changes at the Washington station.

WDVM is one company property outside the Sunbelt that has not been hurt by recession, the spokesman said. "The rest of the stations and Desert Sun Publishing Co, are all Sunbelters and are going like gangbusters," he added.

Evening News owns five tv stations, four VHF and one UHF, and wishes to acquire two more to bring it up to its total allowance of seven tv stations. However, the depressed economy has put those plans on the back burner for now. Broadcast properties account for an estimated 21% of total revenues.

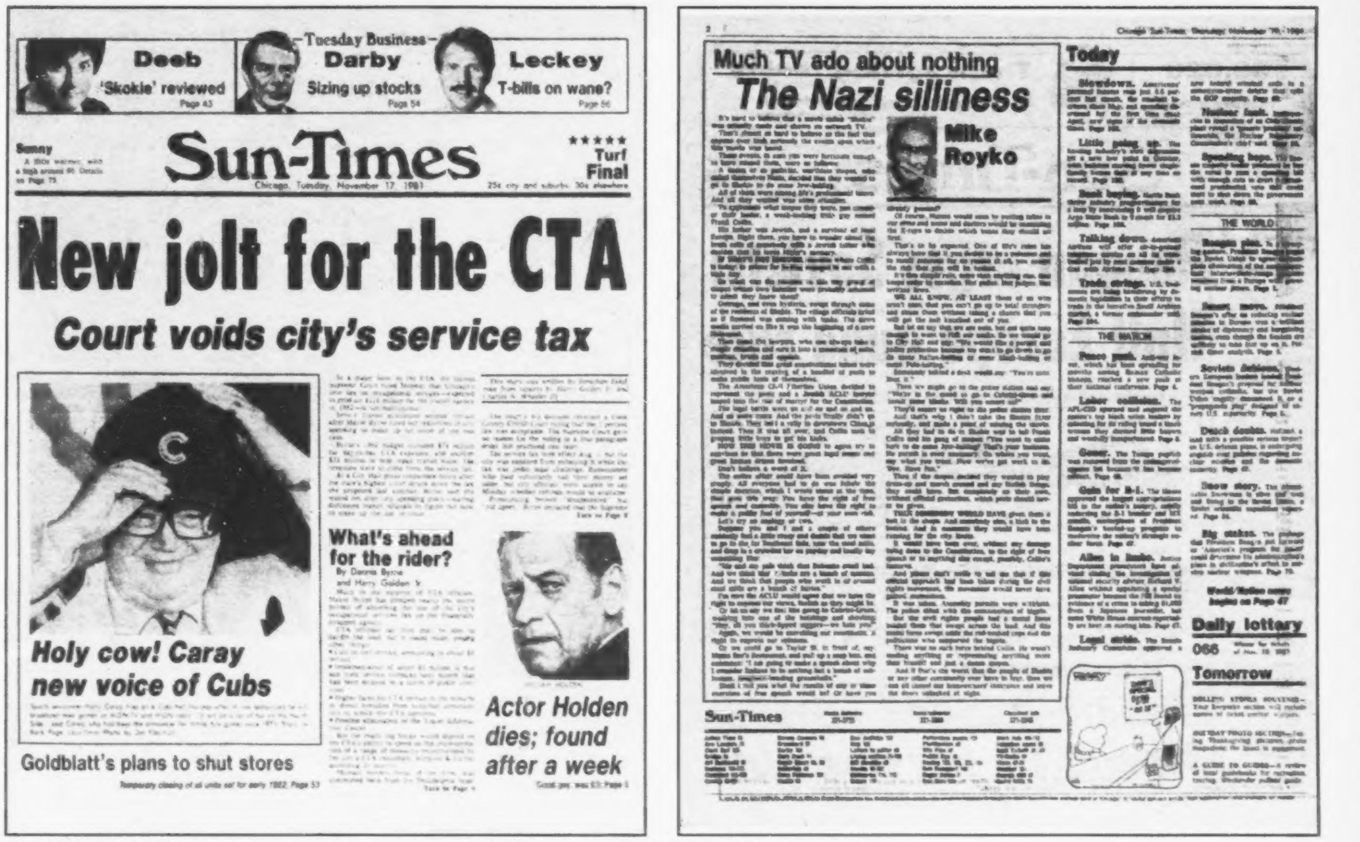
Evening News is keeping an eye on cable and electronic information retrieval systems but it has no plans to jump into either of those fields at the moment. The exec cited the high cost of cable systems as one reason the company has stayed out of the field.

MEDIA PROPERTIES:
Newspapers: CALIFORNIA—*Indio Daily News, Palm Springs Desert News.* MICHIGAN—*Detroit News.* NEW JERSEY—*Atlantic County Record, Egg Harbor News, Hammonton News, Millville Daily, Vineland Times Journal.*
Broadcasting: TELEVISION—WDVM-TV, Washington D.C.; KTVY-TV, Oklahoma City; KOLD-TV, Tuscon; WALA-TV, Mobile, Ala,;KVUE-TV, Austin, Tex. RADIO— WWJ (am and fm) Detroit.

OTHER OPERATIONS:
Times Graphics Printing.

Field Enterprises

Field Enterprises, Chicago, the 22nd largest media company with primary interests in communications but strong activity in real estate, had estimated revenues of $329,900,000 in media in 1980 out of total estimated revenues of $380,000,000.


Tuesday Business
Deeb
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Sunny
Sun-Times
Chicago, Tuesday, November 17, 1981
★★★★★
Turf Final
25¢ city and suburbs, 30¢ elsewhere

New jolt for the CTA
Court voids city's service tax

Holy cow! Caray new voice of Cubs

Goldblatt's plans to shut stores
Temporary closing of all units set for early 1982. Page 53

What's ahead for the rider?
By Dennis Byrne and Harry Golden Jr

Actor Holden dies; found after a week

Much TV ado about nothing
The Nazi silliness
Mike Royko

Today
THE NATION
THE WORLD
Daily lottery
066
Tomorrow
Sun-Times

Field Enterprises features award-winning columnist Mike Royko on Page 2 of the *Chicago Sun-Times.*

Once a more diversified company owning Worldbook-Childcraft International (sold to Scott & Fetzer in 1978) and an energy subsidiary which included two coal mines (also sold in 1978), the closely held Chicago-based Field now is "interested in opportunities for potential growth in almost any area of communications," says exec vp-general counsel Lee Mitchell. "We also see growth in real estate."

More specifically in communications, Field is aggressively pursuing acquisition of additional cable properties. San Francisco-based Field Communications Corp., owner of five independent tv stations, made its first move into cable with the acquisition of three Televents of California systems in 1980. Under the Field Cablevision umbrella, the company now has systems with a total of 12,000 subscribers and potential of 38,000.

Mr. Mitchell said that in addition to further cable growth, the company has explored possibilities in programing and production areas.

In the past year Field has begun experimenting with a number of alternative delivery options.

■ In the winter of 1981, Field formed an electronic publishing subsidiary to explore the potential for the new media of teletext. The Federal Communications Commission granted Field permission to test the first commercial teletext system in the country, and the company unveiled its KeyFax service. The technology, based on the British Ceefax System, enables Field to conduct two kinds of tests.

The first serves decoder-equipped televisions in public places, business and homes in the Chicago area with news, sports, financial and other information. The second makes KeyFax available to cable viewers with the addition of classified and display advertising.

The experiment is being conducted on the vertical blanking interval of Field's WFLD-TV.

Also on WFLD, in September, 1981, Field launched its Nite-Owl service. The teletext news and information magazine airs from midnight to 6 a.m.

In November, 1981, the company decided to try its hand at pay tv as well. In a joint venture with Subscription Television of America, it launched Super Tv in the greater Washington, D.C area.

Once the publisher of two metropolitan dailies (the *Chicago Daily News* folded in 1978), Field in mid-1980 formed Field Suburban Publishing to publish shoppers in the west and northwest suburbs of Chicago; *Smart Shopper* now is published in 18 zones, with a combined circulation of 300,000.

In 1980, the company broke with tradition and named the first non-Field family member publisher of the *Sun-Times.* James Hoge, then editor-in-chief, took the reins from chairman Marshall Field V, who said he wanted to pursue other Field ventures.

In the past year Mr. Hoge has implemented a number of changes in the *Sun-Times.* Among other things, the Sunday edition has been given additional editorial space in a number of sections, and the paper has added a standard-size offset fashion section, an expanded business section and a zoned neighbors section (one in Spanish) on various days of the week. Mr. Hoge gives the changes credit for a recent jump in circulation in its hotly contested battle with the *Chicago Tribune.*

Among those other ventures Mr. Field is now exploring are, the company's real estate properties. In 1977, the company acquired Cabot, Cabot & Forbes, a Boston-based national real estate development, investment and management company. Field also has several real estate properties in Chicago.

Also in 1981, Field Enterprises sold its paper mills, FSC Paper Corp., Alsip, Ill., and Manistique Pulp & Paper Co., Manistique, Mich., to company co-owners Marshall and Frederick Field. (Garden State Paper Co. continues to own 20% of FSC.)

In one major personnel move, Charles Fegert, exec vp-advertising, will be leaving the *Chicago Sun-Times* early next year. His responsibilities will be taken over by vp-advertising Robert Reese.

MEDIA PROPERTIES:
Newspapers: *Chicago Sun-Times, Suburban Sun-Times, Smart Shopper, Smart Suburbanite,* shoppers published in 18 Chicago-area zones.
Broadcasting: WBHK-TV, San Francisco; WFLD-TV, Chicago; WKBD-TV, Detroit; WLVI-TV, Boston; WKBS-TV, Philadelphia.
Cable/video: Field Cablevision, California—Redlands-Yucaipa, Riverside County. Field Electronic Publishing.

OTHER OPERATIONS:
Cabot, Cabot & Forbes, Field Realty division, Field Newspaper Syndicate.

Freedom Newspapers

Freedom Newspapers, Santa Ana, Cal., is the country's 45th largest media company with estimated revenues of $153,500,000, all from media operations in 1980.

Privately owned Freedom Newspapers publishes the Orange County Metro Group Newspapers: *Anaheim Bulletin, LaHabra-Brea Star Progress,* and the *Santa Ana Register.* The company also publishes 29 other daily papers.

It acquired three dailies last year: *Greenville* (Miss.) *Delta Democrat-Times, Dothan* (Ala.) Progress, and *Huron* (S.D.) *Daily Plainsman,* Huron, S.D. Freedom Newspapers recently acquired a partnership interest in Community Press Newspapers, a chain of free distribution papers in Englewood, Colo.

Freedom Communications, a subsidiary, acquired tv station KTVL in Medford, Ore., last March.

The company "is actively engaged in a search for cable and newspaper properties and hopes to diversify in the near future in print and electronic information investments," said D. R. Segal, Freedom Newspapers' president.

He said the company also is upgrading its current newspapers to make them "more valuable to our readers and advertisers."

MEDIA PROPERTIES:
Newspapers: ALABAMA—*Dothan Progress.* CALIFORNIA—*Anaheim Bulletin, La Habra-Brea Daily Star-Progress, Maryville Appeal-Democrat, Porterville Recorder; Santa Ana Register, Turlock Daily Journal.* COLORADO—*Colorado Springs Gazette-Telegraph.* FLORIDA—*Fort Walton Beach Playground Daily News, Fort Pierce News Tribune, Tribune, Panama City News-Herald.* GEORGIA—*Victorville Daily Press.* INDIANA—*Crawfordsville Journal Review, Seymour Daily Tribune.* MISSISSIPPI—*Greenville Delta Democrat-Times,.* NEBRASKA—*Columbus Telegram.* NEW MEXICO—*Clovis News Journal.* NEW YORK—*Hornell Evening Tribune, Wellsville Reporter.* NORTH CAROLINA—*Burlington Times-News, Gastonia Gazette, Jacksonville Daily News, Kinston Daily Free Press, New Bern Sun-Journal.* OHIO—*Bucyrus Telegraph-Forum, Lima News.* SOUTH DAKOTA—*Huron Daily Plainsman.* TEXAS—*Brownsville Herald, Harlingen Valley Morning Star, McAllen Monitor, Odessa American, Pampa Daily News.*
Broadcasting: KTVL-TV (Medford, Ore.).

Gannett Co.

Gannett Co., Rochester, N.Y., is the country's sixth largest media company, with 1980 revenues from media operations of just under $1.2 billion, or more than 98% of total revenues of $1.215 billion. Newspapers provided 77% of total revenues, outdoor advertising 11% and broadcasting 10%. Profits totaled $151,985,000 in 1980, the 13th straight year of profit increases for Gannett. Allen Neuharth, president and chairman, says 1981 will be the 14th straight year of higher profits.

Through aggressive acquisitions, mostly of newspapers in smaller, noncompetitive markets, Gannett has become the publisher of 85 daily newspapers, the most of any company. Its daily circulation of 3,737,000 papers is second only to the 3,783,000 circulation of Knight-Ridder Newspapers.

Gannett may be at an important juncture in its history. Some company followers believe that, as the remaining number of independent newspapers in monopoly markets declines, Gannett may be forced to ease up its traditional kinds of acquisitions and fashion a new growth strategy.

Restless to move

Magazine launchers and revitalizers, take note: Peter Diamandis is restless again.

"To sit in a corporate job shuffling papers is not what I'm into," Mr. Diamandis says. Yet that's what he finds himself doing for Gruner & Jahr since the German publisher sold the U.S. version of *Geo* to Knapp Communications in September. Mr. Diamandis had been publisher of the U.S. *Geo* since October, 1980.

"I'm a hands-on operator," Mr. Diamandis says. "If the U.S. is a big part of their [Gruner & Jahr's] future, I'd like to participate as an executive in building this company here. If not, then I guess I'm looking for a job."

Mr. Diamandis, 50, doesn't lack for references. In January, 1979, he launched *Self* magazine for the Conde Nast operations of the Newhouse family. Before that, he published *New York* magazine for Rupert Murdoch. He also has been publisher of *Mademoiselle*,, president of *New West* and for a time president of an ad agency.

Mr. Diamandis, who has been described by ADVERTISING AGE columnist James Brady as a publisher without a deep publishing philosophy and "a businessman rather than an editor [and possessing] a sense of what makes a good publication and what doesn't," says he would like to see Gruner & Jahr U.S. become more aggressive in acquiring new publications. He also favors "people and projects that are rolling" in any aspect of the media, whether

Peter Diamandis

magazines, books, tv, movies or the "new technology"—possibly cable. "The next two months will tell" what's coming for Mr. Diamandis.

Recent moves by the company suggest that it will attempt to sustain its momentum by moving into new types of newspaper properties and by exploiting opportunities afforded by the new communications technologies.

Last summer, for example, Gannett acquired its first paper aimed at a special market, *El Diario-La Prensa*, the country's largest Spanish language daily. *El Diario-La Prensa*, based in New York, has a daily circulation of 61,000.

Also last summer, Gannett distributed prototypes of the most ambitious project it has under consideration, a national general-interest daily newspaper. Mr. Neuharth says reader response to the proposed paper, called *USA Today*, has been favorable. The company is still testing advertiser reaction; some advertising and marketing execs have been lukewarm about *USA Today's* potential as an advertising medium.

Gannett is to decide whether to go ahead with *USA Today* by the end of this year. If it does proceed, publication could begin as early as next fall.

Gannett directors reviewed research results on the prototypes at a recent board meeting. Some company followers believe Gannett will give *USA Today* the green light. One indication, they say, is Gannett's agreement with Canada, announced last month, to buy most newsprint for the new paper from Canadian suppliers; that commitment was one of several Gannett made in return for Canadian approval to acquire three outdoor advertising companies formerly owned by Combined Communications Corp., acquired by Gannett in 1979.

Gannett also is known to be lining up additional editorial employes and syndicated material for the proposed paper. Most important of all, perhaps, is that Mr. Neuharth, some company insiders say, is strongly behind the idea of a national newspaper under the Gannett banner. At the same time, however, Mr. Neuharth is proud of Gannett's financial record and wouldn't support the project if projections don't show a strong likelihood of financial success.

■ Satellite technology is integral to the idea of a national daily. As Dow Jones & Co. does with the *Wall Street Journal*, Gannett would transmit *USA Today* pages via satellite to company printing plants around the country.

Late last year, Gannett formed a new subsidiary, Washington-based Gannett Satellite Information Technology, to explore using satellites for *USA Today*, as well as for broadening distribution of information and advertising generated by existing Gannett units. For example, Gannett may relay material from *El Diario-La Prensa* by satellite to its other papers with sizable Hispanic readerships.

The new satellite subsidiary is part of the company's "continuing efforts to position Gannett to take maximum advantage of the fast-growing information businesses of the future," Mr. Neuharth says.

Gannett apparently has ruled out operating cable tv systems, because it feels it takes too long to reap returns from the substantial investment required. However, Gannett is interested in providing programing for cable tv and other forms of electronic communications. For example, it has joined with Robert MacNeil and Jim Lehrer, host of public television's "The MacNeil-Lehrer Report," to form a television production partnership.

■ Contrary to the views of the naysayers, Mr. Neuharth also believes Gannett can continue to derive substantial growth through acquisition of general-interest newspapers. This year it acquired the *Gainesville* (Ga.) *Times* (and its two poultry magazines) and 95% of the *Knoxville* (Tenn.) *Journal*. It also has agreed in principle to acquire the *Norwich* (Conn.) *Bulletin*.

Mr. Neuharth calls Gannett's local newspapers recession-proof, citing the company's unbroken string of 56 quarters of profit increases since Gannett went public in 1967.

As was the case last year, however, Gannett's increased revenues and profits from its newspapers stem largely from increases in ad and circulation rates. Linage and circulation of the papers as a whole were about flat last year and have remained so this year.

MEDIA PROPERTIES

Newspapers (dailies): ARIZONA—*Tucson Citizen*. CALIFORNIA—*Marin Independent Journal, Oakland Tribune, Salinas Californian, San Bernadino Sun, Stockton Record, Visalia Times-Delta*. CONNECTICUT—*Norwich Bulletin*. COLORADO—*Fort Collins Coloradoan*. DELAWARE—*Wilmington Morning News, Wilmington Evening Journal*. FLORIDA—Cocoa TODAY, Fort Myers News-Press, Pensacola Journal, Pensacola News. GEORGIA—*Gainesville Times*. GUAM—*Pacific Daily News*. HAWAII—*Honolulu Star-Bulletin*. IDAHO—Idaho Statesman, Boise. ILLINOIS—Danville Commercial News, Rockford Register Star. INDIANA—*Lafayette Journal & Courier, Marion Chronicle Tribune, Richmond Palladium-Item*. IOWA—*Iowa City Press-Citizen*. KANSAS—*Coffeyville Journal*. LOUISIANA—*Monroe News-Star-World, Shreveport Times*. MICHIGAN— *Battle Creek Enquirer and News, Lansing State Journal, Port HuronTimes Herald, Sturgis Journal*. MINNESOTA—*Little Falls Daily Transcript, St. Cloud Daily Times*. MISSOURI—*Springfield Daily News, Sprinfield Leader & Press*. NEBRASKA—*Fremont Tribune*. NEVADA—Nevada State Journal, Reno; *Reno Evening Gazette*. NEW JERSEY—*Bridgewater Courier-News, Camden Courier-Post*. NEW MEXICO—*Santa Fe New Mexican*. NEW YORK—*Binghamton Sun-Bulletin, Binghamton Evening Press, El Diario La Prensa* (Manhattan), Elmira Star-Gazette, Ithaca Journal, Niagara Falls Gazette, Poughkeepsie Journal, Rochester Democrat & Chronicle, Rochester Times-Union, Saratoga Springs Saratogian, Utica Daily Press, Utica Observer-Dispatch, Westchester Rockland Newspapers (*Mamaroneck Daily Times, Mount Vernon Daily Argus, New Rochelle Standard-Star, Nyack-Rockland Journal News, Ossining Citizen Register, Port Chester Daily Item, Tarrytown Daily News, Westchester County TODAY, White Plains Reporter Dispatch, Yonkers Herald Statesman*). OHIO—*Chillicothe Gazette, Cincinnati Enquirer, Fremont News-Messenger, Marietta Times, Port Clinton News-Herald*. OKLAHOMA—*Muskogee Daily Phoenix and Times-Democrat*. OREGON—*Salem Statesman Journal*. PENNSYLVANIA—*Chambersburg Public Opinion, Lansdale Reporter, New Kensington Valley News Dispatch*. SOUTH DAKOTA—*Sioux Falls Argus-Leader*. TENNESSEE—*Knoxville Journal, Nashville Tennessean* TEXAS—*El Paso Times*. VERMONT—*Burlington Free Press*. VIRGIN ISLANDS—St. Thomas Daily News. WASHINGTON—*Bellingham Herald, Olympia Daily Olympian*. WEST VIRGINIA—*Huntington Herald-Dispatch*. WISCONSIN—*Green Bay Press-Gazette, Wausau Daily Herald*.

Newspapers (nondailies): CALIFORNIA—*Rohnert Park-Cotati Times*. CONNECTICUT—*Norwalk Fairpress, Norwich Dolphin, Norwich Journal-Transcript*. FLORIDA—*Cocoa Tribune, Melbourne Times, Seminole Citizen News, Titusville Star-Advocate*. NEW JERSEY—Cherry Hill Suburban Newspaper Group (*Black Horse Suburban, Cherry Hill News, Civic Press, Community News, Hadson Gazette, The Journal, The News, News Chronicle, Sterling Suburban, The Suburban*), *Salem Sampler*. NEW YORK— *Bronxville Review Press-Reporter, Saratoga Springs Commercial News*. PENNSYLVANIA—*Butler County News*, New Kensington, *Pennsburg Town & Country*.

Broadcasting: TELEVISION—KPNX, Phoenix; KARK-TV, Little Rock; KBTV-TV, Denver; WXIA-TV, Atlanta; WPTA-TV, Fort Wayne, Ind.; WLKY-TV, Louisville; KOCO-TV, Oklahoma City. RADIO—KPRZ (am), KIIS-FM, Los Angeles; KSDO (am), KEZL (fm), San Diego; WJYW (fm), Tampa Fla.; WVON (am), WGCI (fm), Chicago; WLQV (am), WCZY (fm), Detroit; KSD-AM-FM, St. Louis; WWWE (am) and WDOK (fm), Cleveland.

Magazines: *Poultry & Egg Marketing, Poultry Times, Virgin Islander*.

Outdoor: Gannett Outdoor Advertising Group.

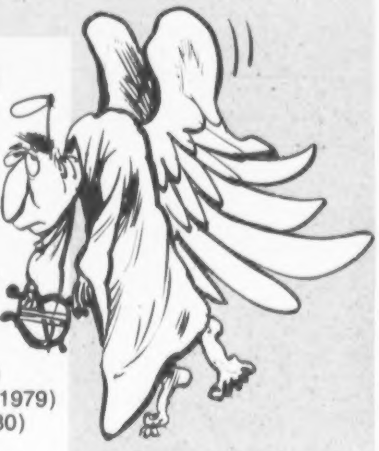
Other: Gannett News Service; Gannett Satellite Information Network, Gateway Film Productions.

OTHER OPERATIONS:
Louis Harris & Associates research, Romo silk-screen printing.

Media Heaven

(recent arrivals)

Panorama (1980-1981)
Next (1980-1981)
Viva (1973-1979)
Daily News Tonight (1980-1981)
Wall Street Final (June 1980-August 1980)
New York Trib (January 1978-April 1978)
Your Place (April 1978-December 1978)
New Times (1973-1979)
Look (1937-1971; 1978-1979)
Media People (1979-1980)
Photoplay (1911-1980)
Enterprise Sports Network (January 1981-September 1981)



At heaven's gate?

Boston Herald-American
Philadelphia Bulletin
Cleveland Press
Book Digest
Inside Sports
GEO

Still missing:

RCA Satcom III Satellite (launched Dec. 6, 1979, disappeared Dec. 10, 1979)

General Electric Co.

General Electric Co., the 47th media company, had an estimated $150,000,000 in revenues in 1980, according to industry analysts.

GE, which had total revenues of $24.96 billion, owns two consolidated media affiliates within its Consumer Products and Services group, General Electric Broadcast Co. Inc., with three tv stations and eight radio stations, and General Electric Cablevision Corp., with 220,000 subscribers.

Revenues for General Electric Cablevision are estimated at $35,800,000, with operating profits estimated at $8,600,000. In the midst of management changes, GE is chasing on the heels of the now-popular broadcasting trend of more news and current events.

Winthrop Baker, new chief exec and president of the affiliates, found "...when I came in...management personnel and structure needed to be upgraded." In his three months with GE Mr. Baker has hired five new key managers out of eight total, and consolidated managers in markets where the company owns more than one property.

"I assessed broadcasting for the future," said Mr. Baker, "and I found prevalent the trend toward 'total service' programing, *i.e.* more news, talk, features, etc..."

The Cablevision affiliate introduced a complex marketing program last year concentrating on tiering services. Emphasis on expanded pay-tv services beyond HBO is in the works, as well as experimental areas including home security, in-home shopping, in-home banking and automobile traffic control.

MEDIA PROPERTIES

Broadcasting: TELEVISION—KOA-TV, Denver; WNGE-TV, Nashville; WRGB, Albany. RADIO—WGY (am, fm), Albany, N.Y.; KOA (am) and KOAQ (fm), Denver; WFIX (am, fm), San Francisco.

Cable/video: General Electric Cablevision Corp: Serving communities in CALIFORNIA—Merced, Tracy, Vacaville and Walnut Creek; ILLINOIS—Decatur, Peoria; INDIANA—Anderson, Evansville (80% interest); MICHIGAN—Grand Rapids Wyoming; MISSISSIPPI—Biloxi Hattiesburg; NEW YORK—Watertown.

General Tire & Rubber Co.

General Tire & Rubber Co., Akron, O., through its wholly owned subsidiary, RKO General, is the country's 51st largest media company.

Media revenues from New

York-based RKO totaled $142,100,000, all in broadcasting. Total RKO revenues were $255,900,000 out of General Tire's total revenues of $2.2 billion.

RKO's roots in broadcasting spring from its acquisition of a radio network in 1942. Today, RKO operates four television stations, 12 radio stations and three radio networks.

It also is involved in producing movies and tv programing, and it owns 60% of Frontier Airlines and eight soft-drink bottling plants. RKO's total profits in 1980 were, excluding its equity in Frontier, $22,500,000.

Recent RKO moves include the startup of two radio networks and the sale of the cable tv outlet, Cablecom. Most important to its future, however, is its appeal, in the U.S. Circuit Court of Appeals, of an FCC ruling that could strip the company of some or all of its radio and television licenses. The FCC ruling, initially made in June, 1980, was upheld by the new commission earlier this year.

"We believe that we have a strong argument in court, and that we will prevail," said a senior RKO exec who asked not to be named. He said the appeal could be decided by the middle of next year, although a finding against RKO could trigger further appeals.

■ The FCC found RKO unqualified to hold the operating license for its Boston station, WNAC-TV, on grounds of alleged misconduct by RKO and General Tire. Based on that ruling, the commission also found RKO unqualified to operate its tv stations in New York and Los Angeles.

The FCC found that RKO made airtime deals with advertisers in the 1960s that now are considered anticompetitive. It also found that RKO had knowingly filed false financial reports and otherwise had showed lack of candor in its FCC dealings.

It also found that General Tire had made improper domestic political contributions and overseas payments.

having knowingly misled the FCC. It also contends that its allegedly illegal advertising deals were common practices in the 1960s. And RKO says its managment has always been independent of General Tire, and therefore the parent company's problems with improper payments should not reflect on RKO's character as a licensee.

RKO continues to operate the three tv stations involved in the case.

When the appeal concludes, the FCC might challenge RKO's qualifications to hold licenses for its 13 other broadcast stations.

■ Loss of all licenses could force the sale of the stations, General Tire said in its 1980 annual report. The New York, Boston, and Los Angeles stations were valued at $48,200,000 and brought in $80,600,000 in revenues, the report said.

RKO's two new radio networks have had good advertiser response, the senior RKO official said. RKO II, aimed at 25-to-54-year-olds, started in September with 56 affiliates. RKO III supplies programing for specific time slots, including a midnight-to-6 a.m. talk show.

RKO declined to supply figures pertaining to its three networks. However, recent demand for network radio programing has spurred plans for such expansion by several media companies.

RKO's cable television arm, Cablecom-General, was sold to Capital Cities Communications in July for $139,200,000. Cablecom owns and operates cable tv systems in 122 states and approximately 100 movie theaters in Oklahoma, Texas and New Mexico.

Although the outlook for RKO's parent company has been darkened by the woes of the auto industry, the senior RKO exec said his company does not rely on General Tire for money.

"We have a good cash position and excellent borrowing capacity. RKO General is a strong contributor to the profits of the parent company," he said.

Robert Williamson was named president of RKO Radio last year, succeeding Dwight Case, who took a partnership post in Sunbelt Communications.

RKO vice-chairman Jack Poor retired and has not yet been replaced.

MEDIA PROPERTIES:
Broadcasting: TELEVISION—WOR-TV, New York; WNAC-TV, Boston; KHJ-TV, Los Angeles; WHBQ-TV, Memphis. RADIO—WOR (am), WRKS (fm), New York; WROK (am), WROR (fm), Boston; WGMS-AM-FM, Bethesda, Md.-Washington; WAXY (fm), Fort Lauderdale, Fla.; WHBQ (am), Memphis; WFYR (fm), Chicago; KFRC (am), San Francisco; KHJ (am), KRTH (fm), Los Angeles.

Harcourt Brace Jovanovich

Harcourt Brace Jovanovich, New York, is the country's 67th largest media company, with estimated media operations revenues of $100,000,000 coming from operations of HBJ Communications & Services, the company's communications division. Total revenues were $504,000,000 in 1980.

Although publicly owned, the company is family-run to the extent that William Jovanovich is chairman and chief exec officer, and acts as the principal corporate spokesman.

One of the world's largest publishers of educational and general and professional books, HBJ is organized into three operating units: Harcourt Brace Jovanovich Publishers (books, academic journals and instruction courses), Sea World Enterprises Inc. (marine parks, food processing and services, land development); and HBJ Communications & Services (magazines, insurance, book clubs and management consulting).

In 1980, the three groups making up HBJ each increased revenues, while most parts of the corporation gained in operating profit. Consolidated sales and revenue figures were: HBJ Publishers, $294,700,000, or 58.4% of the total; Sea World Enterprises, $103,800,000, or 20.6%; and HBJ Communications & Services, $106,000,000, or 21%.

HBJ Communications & Services is a diverse group, with interests ranging from vertical trade publications to book clubs to insurance holdings, the latter which contributes commission (and not sales) to consolidated statements.

Although last year's recession took its toll on HBJ Communications & Services, in the 1980 annual report, William Jovanovich described the division as re-emerging from an advertising slump, and, as such, "alert and active."

HBJ Publishers' strategy has traditionally been to inbed itself in sturdy educational markets: First, elementary and secondary school textbooks, tests and supplies; second, Academic Press's scientific books and journals, law, business and accounting; and, last, college learning materials. As of last March, the company was predicting that collective 1981 revenues from these markets should increase by at least 15%.

Consolidated sales and revenues for HBJ Publishers are separated into textbooks, tests and general books, accounting for $194,000,000; and academic press and professional publishers with some $101,000,000.

HBJ's third and smaller area of business is Sea World, which derives most of its revenues from the leisure time market; the bulk of its activities lie in providing instructive entertainment and recreation. This business is not only inherently seasonal but also vulnerable to fluctations in consumer spending due to external forces such as rising fuel costs.

Quotations from Chairman Mark*

(or why media moguls are drooling)

- **"Each time you [broadcasting companies] are successful commercially, you are serving the needs of the public."**

- **"I do not believe that past players, players with impressive records and innovative plans, should be arbitrarily excluded from new markets."**

- **"The historic role of the commission [FCC] as a grand Poo-Bah of the Potomac, determining what kinds of programs a broadcaster must air, must change."**

- **"Deregulation will be an important theme of my chairmanship. The technology bids us to pursue it, and the cost of continued regulation, impels us as well."**

- **"The FCC remains the last of the New Deal dinosaurs."**

*Mark Fowler, new chairman of the Federal Communications Commission.

In early 1979, HBJ divested itself of two efforts to make headway in the strictly consumer market. In February, it sold Jove Publications Inc., which publishes mass-market paperbacks, and, one month later, the subscription list and accounts receivable for unpaid subscriptions to *Human Nature*, a popular magazine into which HBJ plowed a substantial sum.

HBJ Communications this November added another magazine, *Food Plant Ideas*, to its stable of 88 business and professional magazines and newsletters in the division. The magazine, bought from Lakewood Publications, Minneapolis, claims a market of 60,000 top decision-makers in the food processing field.

All of the markets in which the corporation competes are highly competitive. HBJ Communications & Services, given its high concentration of vertical trade journals, is particularly susceptible to advertiser drawback during economic downturns. Nonetheless, Harcourt Brace Jovanich shows no signs of seriously altering its over-all strategy—that of firm entrenchment in educational, general and professional publications.

MEDIA PROPERTIES:
Magazines: AGRICULTURAL—Harvest Publishing Co. group (*Kansas Farmer, Michigan Farmer, Ohio Farmer, Pennsylvania Farmer*). BUSINESS & TRADE—*Family Fashions/Intimate Apparel, Family Fashions/Intimate Apparel Directory, Communications News, Dental Industry Newsletter, Dental Laboratory Review, Dental Laboratory Review Buyer's Guide, Dental Management, Directory Of Incentive Travel International, Drug & Cosmetic Catalog, Drug & Domestic Industry, Electronic Technician/Dealer, Fast Service, Fast Service Action Cards, Flooring, Flooring Market Shopper, Food Management, Food Plant Ideas, Gourmet Today, Hearing Instruments, Hobby Show News, Home & Auto, Home and Auto APAA Show Daily, Home & Auto Buyers Guide, Hosiery and Underwear, Hotel & Motel Management, Hotel & Motel Management Buyer's Directory, Hotel & Motel Management Quick Order Product Postcards, Housewares, Housewares Show Stopper* (a.m. and Monday p.m. editions), *Industrial Education, Industrial Education* postcards, *Kitchen Planning, Lawn Care Industry, LP Gas, Market Maker Body Fashions/Intimate Apparel, Nebraska Farmer, Paper Sales, Paper Sales Convention News, Paper Year Book, Pets/Supplies/Marketing, Professional Remodeling, Quick Frozen Foods, Quick Frozen Foods Annual Directory of Frozen Food Processors, Rent All, Rent All ARA Show Daily, RSI, Selling Christmas Decorations, Seminars in Family Medicine, Seminars in Nephrology, Seminars in Ultrasound, Snack Food, Telephone Engineer & Management, Telephone Engineer & Management Directory, Telephone Engineer & Management's* Fast-Action postcards, *Toys Hobbies & Crafts, Toys Hobbies & Crafts Directory, Toy Trade News, Weeds Trees and Turf.*
Broadcasting: WDIO-TV, Duluth, Minn.; WIRT-TV, Hibbing, Minn.

Harte-Hanks Communications

Harte-Hanks Communications, San Antonio, is the nation's 26th largest media company, with total media property revenues of $269,700,000 in 1980, or 89% of total revenues of $304,000,000.

Company revenues, which increased 24% in 1980 over 1979, have continued to climb, although at a slower rate than last year. For the first nine months of 1981, Harte-Hanks reported revenues of $254,000,000, up 16.5% from the previous year. Net income rose to $17,600,000 from $15,200,000 in the same period a year ago.

The publicly owned holding company splits its business into three segments: Newspapers and related publications, which accounted for 53% of total revenues; broadcasting, 21% of revenues, and consumer distribution of advertising materials and consumer products, 26% of revenues. The first two segments are 100% media, while 56.6%, or about $44,740,000, of the third segment is media activity.

Harte-Hanks, which operates in 87 markets in 27 states, is implementing a "back to basics" plan developed by the company in 1979 to hold down costs while increasing revenues in four growth areas: Cable tv, consumer marketing, entertainment software and electronic information services. Expansion in these areas is backed by its strong revenue base in newspapers, advertising publications, radio and tv.

Emphasis is being placed on full attention "to operation during these times of continuing economic uncertainty," says Robert G. Marbut, president and ceo. "We intend to make a balanced approach into our new areas of obvious opportunity. With a national economy that's so unpredictable and sluggish, we cannot put all our eggs in one basket." he says.

Since 1971, Harte-Hanks has made more than 50 acquisitions, which Mr. Marbut says is all part of the strategy to diversify geographically into attractive new lines of business, both through acquisition and starting new publications.

In the anchor areas of business—newspapers, advertising publications, radio and tv—changes in the last year include realignment of the newspaper group and formation of a new area of business within the newspaper operations group. Dick Schlosberg, a group president, was named president of the new group and a senior vp of the company.

Harte-Hanks owns and operates 29 daily newspapers, and 68 non-daily publications, including weekly newspapers, advertising publications produced by newspapers and a trade publication for the radio industry. The company also publishes Pennysavers and shoppers that are zoned into more than 200 separate editions reaching 2,400,000 households each week.

In July 1981, the company decided to "pull entertainment and broadcasting under one roof to meet the long-term goal in the entertainment software area," Mr. Marbut says of the division that has four vhf network affiliated tv stations, five am and six fm radio stations and cable tv systems serving 41,000 subscribers.

A succession of personnel changes within the company were made when broadcast and entertainment were grouped, moves that Mr. Marbut describes as "natural evolution." Wayne Kearl, former president, became chairman of the group. William G. Moll succeeded him as president in addition to moving up from president of the tv group to chairman of that group

The expansion into new areas of development at Harte-Hanks will "gravitate into the different areas at different rates—for example cable more quickly and entertainment software more slowly," Mr. Marbut says.

Growth in entertainment software stems from Harte-Hanks' 1979 acquisition of *Radio & Records*, Los Angeles. On the other hand, at the end of 1980 Harte-Hanks owned eight cable tv franchises and managed 19 additional franchises. "The company currently is concerned with developing communities around major high-growth metropolitan areas," Mr. Marbut says.

Harte-Hanks also is testing electronic information with CompuServe and with the Associated Press through Harte-Hanks' *Middlesex News*, Framingham, Mass.

MEDIA PROPERTIES:
Newspapers (dailies): ARKANSAS—*Malvern Daily Record, Russellville Daily Courier-Democrat, Searcy Daily Citizen, Stuttgart Daily Leader.* GEORGIA—

Carollton Daily Times Georgian. MASSACHUSETTS—*Middlesex News*, Framingham. MICHIGAN—*Ypsilanti Press.* NEW JERSEY—*Gloucester County Times*, Woodbury. OHIO—*Hamilton Journal News.* SOUTH CAROLINA—*Anderson Independent, Anderson Daily Mail.* TEXAS—*Abilene Reporter-News, Big Spring Herald, Bryan-College Station Eagle, Corpus Christi Caller, Corpus Christi Times, Corsicana Daily Sun, Del Rio News-Herald, Denison Herald, Greenville Herald Banner, Huntsville Item, Marshall News Messenger, Paris News, San Angelo Standard, San Angelo Times, Wichita Falls Record News, Wichita Falls Times.* WASHINGTON—*Yakima Herald-Republic.*

Newspapers (nondailies): ARKANSAS—*Greenwood Democrat, Greenwood Advertiser, Malvern Advertiser, Malvern Meteor Journal, Paris Express-Progress, Russellville Weekly Courier-Democrat, Russellville Greensheet. Searcy White County Citizen, Stuttgart Grand Prairie Shopper's Guide.* CALIFORNIA—*Coronado Journal, La Jolla Light, Sentinel, Star-News, Star-News Advertiser*, all in San Diego County *San Francisco Progress.* GEORGIA—*Bremen Gateway; Haralson County Tribune*, Buchanan; *Carrollton Total; Douglas County Sentinel* Douglasville; *Walton Tribune*, Monroe; *Tallapoosa Journal-Beacon.* MASSACHUSETTS—*Tri-County TV Facts*, Framingham. MICHIGAN—*Ypsilanti Today.* NEW JERSEY—*Gloucester County Times Advertiser*, Woodbury. OHIO—*Fairfield Echo, Hamilton Journal-News Green Sheet.* SOUTH CAROLINA—*Shopping Guide, Home Buyers Guide*, and *Hometowner*, all in Anderson. TENNESSEE—*Gatlinburg Press, Mountain Visitor, Bert's Bargain Bonanza*, all in Gatlinburg; *Sevier Country News-Recorder* Sevierville. TEXAS—*Big Spring Window Shopper; Brazos Valley Review*, Bryan/College Station; *Commerce Journal; Commerce Advertiser; Cooper Review; Corpus Christi Pennysaver Plus; Corpus Christi Community Life; Corsicana Weekly Light; Corsicana Sunlight Shopper; Greenville Gree Wave Advertiser; Huntsville Advertiser; Marshall Dollar Saver; Paris Merchandiser; Lamar County Echo*, Paris; *TV Showcase, Super Saver, Monitor*, all in San Angelo. WASHINGTON—*Yakima Valley Scene, Yakima Valley View.* Also *California Shopper*, Riverside, San Bernadino and Los Angeles Counties, Cal.; *Potpourri*, Santa Clara County, Cal.; *Shopper's Guide*, Dallas, Tarrant and Collin Counties, Tex.; *Simi Valley Pennysaver*, Los Angeles and Ventura Counties, Cal.; *Tucson (Ariz.) Shopper; Van/De Pennysaver*, Orange and Los Angeles Counties in California.

Broadcasting: TELEVISION—WFMY-TV, Greensboro, N.C.; WTLV-TV, Jacksonville, Fla., KENS-TV, San Antonio; KYTV-TV, Springfield, Mo. RADIO—WSGN (am), Birmingham, Ala.; KOY (am), KQYP (fm), Phoenix; WLCY (am), St. Petersburg, Fla.; WRBQ (fm), Tampa, Fla.; KMJK (fm), Lake Oswego, Ore.; WEZI (fm), Memphis, Tenn.; KULF (am), Houston; KYND (fm), Pasadena, Tex.; WRVA (am), WRVQ (fm), Richmond, Va.

Cable/video: COLORADO—Akron, Otis, Yuma (all National Telecommunications Services). TEXAS—Deer Park, La Porte, Morgan's Point (all Kip—Lee CATV); Pasadena (Pasadena CATV); South Houston (South Houston CATV).

Magazines: Radio & Records.

Other: Abilene Publishing, Abilene Tex.; Advertising Distributors of America, Chicago; Advertising Distributors of Maryland, Baltimore; American Advertising Service; Corpus Christi Commercial Printing; Greater Houston Mailing Service; Harte-Hanks Distribution; Jordan Dennis Co., Dorchester, Mass.; Media Research, Fair Lawn, N.J.; National WATS Service, Fair Lawn, N.J.; Nortex Offset Publications, Wichita Falls, Tex.; Northeast Georgia Magazine, Anderson, S.C.; Publisher's Offset, San Diego County, Cal.; RMH Research, Fair Lawn, N.J.; R&R Entertainment, Los Angeles; Urban Data Processing, Burlington, Mass.

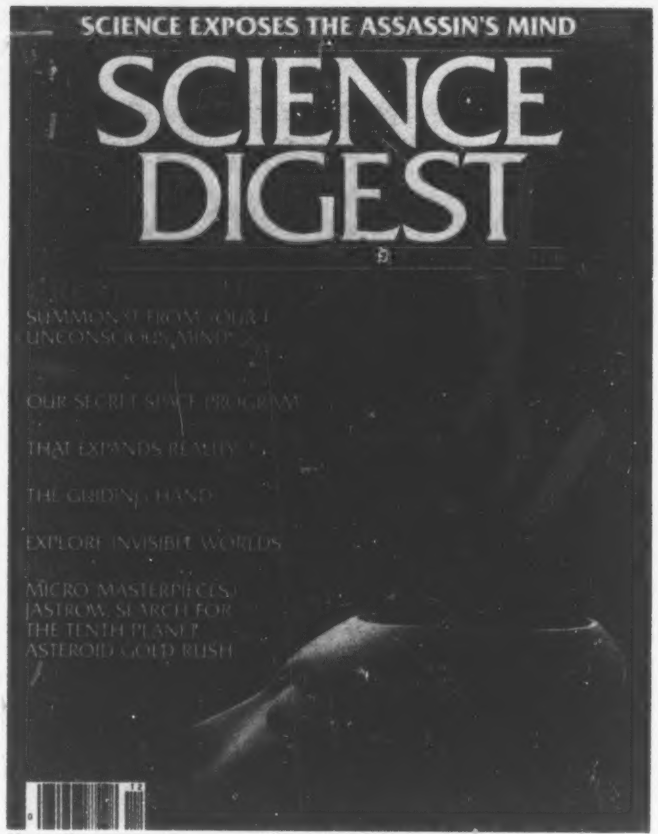
Hearst Corp.

Hearst Corp., New York, is the eighth largest U.S. media company. With revenues estimated at $1.1 billion from media operations in 1980. Total revenue figures for the company were not available.

The company's strong magazine division, with 20 publications, and broadcast holdings are the major contributors to media revenues, with the 15 Hearst newspapers next in revenue importance.

Privately held Hearst continues its strict policy against releasing figures, but lately the company has become more open about other aspects of its business. While chairman Randolph A. Hearst (son of founder Willam Randolph Hearst, who died in 1951) hasn't gone public, his top execs are out building a new image of the company as bullish, aggressive and thriving. Details on acquisitions and new projects now flow with great regularity from the refurbished Hearst building in New York and there have been plenty of acquisitions and new projects to announce. A tv and print advertising campaign aimed at showing a revitalized Hearst ran last spring and summer.

In what has been a tough year for many magazines, Hearst magazines have for the most part continued to prosper. With other women's magazines down, Hearst's *Good Housekeeping* was reported up 3% in ad pages at midyear. *Harper's Bazaar, Science Digest, Sports Afield* and *Town & Country* also have been on the increase, the last up a hefty 30% after an executive suite revamp.



Hearst's entry in the competitive science field: *Science Digest.*

Cosmopolitan was down 3% in ad pages and *House Beautiful* and *Popular Mechanics* also slipped. A new magazine, *Country Living*, is scheduled to make its debut as a monthly in February. Like *Town & Country*, it will be going after an upscale market. *Town & Country*, expanding from its country club magazine base over the last few years to become a service magazine for the wealthy, has increased circulation from 150,000 in 1977 to more than 254,000 today. Hearst execs credit editor Frank Zachary for the dramatic increase. They hope to produce more editors like him, through an extensive publishing training program for promising newcomers.

Hearst also is going outside for new talent. Thomas Hoving, a former director of New York's Metropolitan Museum of Art, was named editor-in-chief of the company's London-based *Connoisseur*. A Chicago adman, James N. Perkins, was named president-chief exec of Hearst/ABC Video Services, the cable programing joint venture of Hearst and ABC Inc. Mr. Perkins, as head of Washburn Associates, created and produced "The Home Shopping Show," a half-hour weekly cable tv program on which advertisers demonstrate products and services to viewers.

Another major appointment was that of Thomas P. Losee to the post of assistant to Hearst Magazines exec vp-general manager, K. Robert Brink. The 40-year-old Mr. Losee had been publisher of *Harper's Bazaar* and *House Beautiful*. He was succeeded at *Harper's Bazaar* by D. Claeys Bahrenburg, who had been vp-associate publisher of *Rolling Stone*.

Higher up, Benson M. Srere was named executive assistant to Hearst president-ceo Frank A. Bennack Jr. He had been vp-general manager of Hearst's King Features Syndicate division.

Through mid-November, Hearst hadn't made a cable tv acquisition, but Mr. Bennack called it a "natural extension" of Hearst when the company set up a Cable Communications division in May and named Raymond E. Joslin to head it as vp-general manager. Mr. Joslin, former head of Joslin Communications, Stockton, Cal., is the current president of the California Community Television Assn., the industry's largest regional trade group.

Mr. Perkins, head of Hearst/ABC Video Services, is reporting to a board co-chaired by Mr. Joslin and Herb Granath, vp, ABC Video Enterprises. Mr. Perkin's staff of about 50 has begun work on the Beta women's channel that is targeted for a January start on Satcom I. Eventually the partnership unit will take over programing for ABC and Warner Amex's joint venture in cultural programing, ARTS.

Hearst is in the process of adding a fifth tv station to its broadcast holdings following an agreement with Metromedia in September to acquire KMBC-TV, the ABC affiliate in Kansas City, for $79,000,000 in cash. With Federal Communications Commission approval, Hearst will be in the top tier of U.S. broadcasting with five vhf tv stations the FCC maximum.

While there is some struggling among the Hearst daily newspapers (the *Seattle Post-Intelligencer*'s troubles are being stressed in a bid to set up joint operation with the *Seattle Times*), the company isn't showing signs of abandoning the field.

Hearst acquired the *Midland* (Mich.) *Daily News, Huron* (Mich.) *Daily Tribune* and *Edwardsville* (Ill.) *Intelligencer* in 1979, following the purchase of two Texas dailies (*Midland Reporter-Telegram* and *Plainview Daily Herald*) a year earlier. This August it acquired 28 Los Angeles area free circulation weeklies that will be combined as an advertising package once a week with the *Los Angeles Herald-Examiner*, the Hearst daily that is shifting toward all-morning publications in its battle to recover circulation. This year, after more than a decade of circulation losses, the *Herald* appeared to have stopped the slide and reported a small gain.

The Hearst acquisition spree this year included the purchase of William Morrow & Co., a fiction and nonfiction book publisher, for $22,250,000. This followed the acquisition in 1978 of Arbor House Publishing for an undisclosed price.

MEDIA PROPERTIES

Newspapers: CALIFORNIA—*Los Angeles Herald-Examiner, San Fernando Sun, San Francisco Examiner, Valley View*, Los Angeles. ILLINOIS—*Edwardville Intelligencer.* MARYLAND—*Baltimore News-American.* MASSACHUSETTS—*Boston Herald-American.* MICHIGAN—Huron Daily Tribune, Bad Axe; *Midland Daily News.* NEW YORK—*Albany Knickerbocker News, Albany Times-Union.* TEXAS—*Midland Reporter Telegram, Plainview Herald, San Antonio Light.* WASHINGTON—*Seattle Post-Intelligencer.* Also, 28 shoppers in California.

Magazines: *Colonial Home, Connoisseur, Cosmopolitan, Country Living, Good Housekeeping, Harper's Bazaar, House Beautiful, Motor Boating & Sailing, Popular Mechanics, Science Digest, Sports Afield, Town & Country.*

Broadcasting: TELEVISION: WBAL-TV, Baltimore; WISN-TV, Milwaukee; WTAE-TV, Pittsburgh, WDTN-TV, Dayton; KMBC-TV, Kansas City (pending

A scrapper who's in his biggest fight yet

N.S. HAYDEN

People in Salem, Ore., remember N.S. (Buddy) Hayden. He's the no-nonsense publisher—a street fighter," says a former colleague—mighty Gannett Co. dropped into Salem to "save the franchise," according to one account, when Gannett's *Oregon Statesman* and *Capital Journal* found themselves losing advertising to an upstart weekly.

Within a little more than two years after he became Gannett's man in Salem, the weekly was out of business, just as Buddy Hayden had predicted in a desk-top speech he made upon arrival. He was rewarded with the publisher's post at Gannett's *Camden* (N.J.) *Courier-Post.*

Now Buddy Hayden finds himself in another newspaper scrap and this time the odds aren't quite in his favor. In May, 1980, he became publisher of Charter Co.'s *Philadelphia Bulletin*, once one of the country's largest evening papers but now struggling for survival in a hard-ball market dominated by Knight-Ridder's *Philadelphia Inquirer.*

Last August, in what some at first saw as an intimidation tactic but which later appeared to be a serious proposal, Mr. Hayden gave the paper's unions an ultimatum: Agree to nearly $5,000,000 in contract concessions or the paper closes down for good. The unions agreed.

In September, the *Bulletin* launched a circulation drive that Mr. Hayden says has boosted newsstand sales by 12%. As part of the effort to get the paper distributed from more retail outlets, he has hired 20 marketing/circulation representatives to regularly woo retailers. He's also changed the paper itself by adding a new Today section with a daily theme.

Next, Mr. Hayden, 44, said-comes; "Circulation the No. 1 project." "Advertising linage will come back as linage grows." He claims that the *Bulletin's* ad linage has begun to creep up, from a 25.8% full-run share in August to 27.6% in October. But that's still below the already anemic 33% share last year, when the *Bulletin* lost $13,000,000, followed by a loss of more than $10,000,000 in the first half this year.

FCC approval);RADIO:WBAL (am), WIYY(fm), Baltimore; WISN (am), WLPX (fm), Milwaukee; WTAE (am), WXKX (fm), Pittsburgh; WATA (am), San Juan, Puerto Rico.

OTHER OPERATIONS:
Arbor House Publishing, Avon Books, Eastern News Distributor, Hearst Books, Hearst Cable Communications, Hearst Metrotone News, Hearst Special News Service, International Circulation Distributors, King Features Syndicate, William Morrow Publishing, Periodical Publishers Service Bureau, Pjepscot Paper, Puck—The Comic Weekly, Reader Mail , Arthur Schroeder Paper Co., Sunday Colorcomics.

Houston Chronicle

Houston Chronicle Publishing Co. is the 55th largest media company in the country, with estimated revenues of $133,700,000 in 1980, all from its single media holding, the *Houston Chronicle*, which is ranked No. 1 in advertising linage in the Southwest.

The newspaper is part of Houston Endowment, a private charitable foundation born at the death of Houston businessman Jesse H. Jones in 1956, who left the newspaper, several banks, corporations and various other properties in the endowment.

A federal tax statute, the Tax Reform Act of 1969, says that by 1989 the endowment can have no more than 50% interest in the *Chronicle*, launching countless rumors that the newspaper will be sold. But *Chronicle* president Richard J. Johnson stands firm in saying, "We have no plans whatsoever to sell the paper."

If the newspaper were to be offered for sale, estimates are it would sell from $200,000,000 to $400,000,000. The Houston Endowment lists the market value of assets at $105,000,000.

Published for 80 years, the Chronicle has surpassed all other newspapers in the country in classified advertising linage, with 48,000,000 lines in the first nine months of 1981. Added to 35,500,000 lines in retail and 7,900,000 in general advertising, the newspaper has totaled 91,400,000 lines the first nine months. In 1980 retail linage, the *Chronicle* ranked third, preceded only by No. 1 *Los Angeles Times* and the *Chicago Tribune*. Media Record figures for 1980 rank the *Chronicle* with 104,265,118 total lines, second only to the *Los Angeles Times'* 107,027,765 lines.

In 1980, Everett Collier, political activist and editor of the newspaper for 15 years, was assigned to the post of senior vp, leaving the position of editor to Philip Warner, former assistant editor, who had been groomed for the job for nine years under Mr. Collier.

▪ In April of 1980, the *Chronicle*, always an evening paper, added a morning edition. All home delivery outside Harris County was shifted to morning delivery, along with some single sales.

Simultaneous with the start of the morning edition was the addition of 15 reporters to the *Chronicle* staff to expand coverage for readers in the outlying areas of Houston.

Mr. Johnson said the morning edition was created because of the difficulty in distributing the newspaper in the fast growing city. Plans are also under way for a satellite plant and for a new press within the next two to three years to increase printing capacity and improve distribution.

"In a congested city such as this, we cannot continue to put all our printing in one area and still provide the distribution demanded of us," Mr. Johnson said.

The *Chronicle* won a Clio this year for its 1980 campaign via Rives, Smith, Baldwin & Carlberg. The campaign, which highlights the virtues of newspapers, continues this year, featuring author Alex Haley and actress Kristy McNichol in separate testimonials for the newspapers.

Recent format changes in the newspaper have included the expansion of business news into a section this past June, as well as the creation of a new Lifestyle/Fashion section.

In October, the newspaper began *Apartment Extra*, a direct mail piece for apartment dwellers that includes editorials, entertainment and dining guides and ads. The *Extra* is mailed to apartments in four areas of Houston.

Two years ago, the *Chronicle* began a sports information telephone line. And because of the success of the information line, traffic, weather and business lines have since been added.

MEDIA PROPERTIES
Newspapers: *Houston Chronicle.*

Houston Post Co.

The Houston Post Co., Houston, is the 43rd largest media company in the U.S. with estimated 1980 revenues of $165,000,000 all from media. The *Houston Post* accounted for 77% of the company's revenues, while its one radio and two television stations accounted for the rest.

The privately held company which jealously guards financial figures has a net worth of $200,000,000, according to a 1978 article in *Texas Monthly*. Oveta Culp Hobby, owner of the company, reportedly argued that the estimate was a little high.

The *Post* has strong competition from the paper across town, the *Houston Chronicle*, numerous tv and radio stations and 70 suburban papers, according to *Post* managing editor Kuyk Logan. However, the *Chronicle/Post* skirmish has never been waged to the pitch of the newspaper war being fought across the state in Dallas. Last year, the *Chronicle* went all day, a move newspaper followers expected would wake up the *Post* and set them fighting. It didn't.

The *Post* reported full-run ad linage for August of 4,648,312 lines, or 75% of the *Chronicle's* lines. Sunday *Post* linage of 1,839,370 lines was only slightly more than half of the *Chronicle's* 3,486,360 lines. The *Post's* daily and Sunday linage in August were both down from the previous August.

"They see the *Chronicle* and they have just decided not to go for it," said one newspaper observer in Texas. "The management is just not that aggressive."

▪ The management is headed by Oveta Culp Hobby. The Hobby family has owned the paper since 1939. Mrs. Hobby is chairman and editor and reportedly actively involved in the paper. That report is disputed by some although her strong presence in Houston is not. The paper is said to still have a small-town flavor, a touch of boosterism, "boosting city, boosting civic pride," according to Harry Hurt III, author if the *Texas Monthly* article.

Editorially, the paper has not changed much. Mr. Logan said there are plans on the drawing boards but he declined to discuss them.

In the past year, the *Post* has opened a satellite bureau in North Houston and is planning another for South Houston, Mr. Logan said.

In broadcasting, the company owns television stations in Houston and Nashville and a radio station in Houston. The Houston station, KPRC-TV, an NBC affiliate is ranked third in the market and is in a hot contest with the No. 2 station, CBS affiliate KHOU. The ABC affiliate, KTRA, leads the market. Revenues of KPRC-TV have been estimated at $26,000,000-$27,000,000.

Nashville television station WTVF-TV is No. 2 in the market, and in a hotly contested race with the No. 3 station.

Revenues for the station have been put at $9,000,000.

MEDIA PROPERTIES
Newspapers: *The Houston Post*
Broadcasting: KPRC-TV, Houston; and KRPC (am), Houston; WTVF-TV, Nashville.

Jefferson-Pilot Corp.

Jefferson-Pilot Corp., Greensboro, N.C., is the nation's 74th largest media company, with media property revenues of $81,595,000 in 1980, or nearly 10% of total revenues of $885,021,000. Media revenues came from the company's holdings in radio, television and publishing.

The company's biggest business is insurance, which accounted for 90% of total revenues last year. Total net income was $92,526,000.

While Jefferson-Pilot Corp. president W. Roger Soles described 1980 as a good year, revenue and income for the year were below the record level it saw in 1979. Results for 1980 were the second highest in the company's history, however.

▪ For the six months ending June 30, Jefferson-Pilot reported total revenues of $433,019,000, up from $392,578,000 for the same period in 1980. Net income for the 1981 period was $53,945,000, compared with net income of $46,066,000 for the first six months of 1980. Prospects for the remainder of the fiscal year indicate that earnings may be under pressure because of inflation and high interest rates and by depressed business conditions in some areas.

The broadcasting and publishing divisions both experienced restructuring of management, acquisitions and radio format changes in 1980, all instrumental to attaining long-range goals. The company acquired two Miami radio stations, WGBS and WLYF, from Storer Broadcasting Inc. early last year.

Cullie Tarleton, a former vp-manager of WBT, the company's am radio station in Charlotte, N.C., was named senior vp-radio of Jefferson-Pilot Broadcasting, a new position created when the broadcasting group restructured its top management. All 11 Jefferson-Pilot stations now report to Mr. Tarleton.

"We believe that additional support from top management will be beneficial in terms of improving our radio group's peformance," said Wallace Jorgenson, president of Jefferson-Pilot Broadcasting.

▪ This year, Denver stations KIMN (am) and KYGO (fm) changed their formats to country music from rock, resulting, Mr. Jorgenson said, in a dramatic improvement in those stations' performance. Also this year, Mr. Jorgenson said that Jefferson-Pilot Broadcasting has been working with its newly acquired Miami stations to fine-tune their formats.

In addition, the company's television news bureau installed receiver dishes in Charlotte to pick up news from its newly opened Washington office.

Jefferson Data Systems, a subsidiary of Jefferson-Pilot Broadcasting, is marketing, nationally, Electronic News Processing (ENP)—a computer news programing system.

Through its Jefferson Productions division, the broadcasting arm installed a digital editing system that allows editing on film of commercials produced by the division. The company produces commercials for national and large regional advertisers.

"As to our future," Mr. Jorgenson said, "we are looking into teletext. At this point we are not prepared to announce anything, but we have formed a committee to look at its possibilities."

The company's publishing subsidiary, Jefferson Pilot Publications, purchased the *Sayer* (Okla.) *Journal* in 1980. The paper was a small family-owned daily that publisher Bob Gilmore turned into a semiweekly Dec. 1 to pare costs and boost advertising revenues.

▪ Recent management changes in the subisidiary include the following: Mike Herrera was named publisher of the Laredo, Tex., newspaper and Dan Ragan was named publisher of the Clearwater, Fla., newspaper in 1980. Also in 1980, Scott Trundle was named exec vp of the subsidiary.

Since 1980, Jefferson-Pilot Publications has spent a total of $3,700,000 in a program to upgrade its printing plant operations in Laredo, Clearwater and Beaumont, Tex., according the Harold E. Martin, president of the subsidiary.

An advertising training program, headed by Lou del Casillo, was also set up to help each of the papers reach individual advertising goals. A part of this program, Mr. Martin said, is a marketing survey for each of the publications to help pinpoint strong and weak areas for each of the newspapers' markets.

MEDIA PROPERTIES
Newspapers (dailies): FLORIDA—*Clearwater Sun.* OKLAHOMA—*Altus Times.* TEXAS—*Beaumont Enterprise, Beaumont Journal, Laredo Times, Texas City Daily Sun.*
Newspapers (nondailies): FLORIDA—*Brandon News, Brandon News Weekender, Plant City Courier.* OKLAHOMA—*Blair Enterprise; Duke Times; Hollis News; Jackson County News*, Duke; *Kiowa County News Democrat*, Snyder; *Sayer Journal, Snyder News.* TEXAS—*Granite Enterprise*, Granite City; *Hardin County News*, Lumberton; *Jasper News-Boy.*
Broadcasting: TELEVISION—WBTV-TV, Charlotte, N.C.; WWBT-TV, Richmond, Va. RADIO—KIMN (am), KYGO (fm), Denver; WGBS (am), WLYF (fm), Miami; WQXI-AM, Atlanta; WQXI-FM, Smyrna, Ga.;WBT (am), WBCY (fm), Charlotte, N.C.; WBIG (am), Greensboro, N.C.; WWIL (am), WHSL (fm), Wilmington, N.C.

OTHER OPERATIONS:
Insurance.

Journal Co.

The Journal Co., Milwaukee, is the nation's 48th largest media company with an estimated $148,600,000 in media revenues in 1980 out of a company total of $283,500,000.

However, the company's net income of $17,100,000 was down 14.5% from the 1979 figure of $20,000,000. The Journal Co.'s profit margin dropped to 6% from 7.4% in 1979.

The Journal Co., a privately held company, is owned primarily by its employes under a stock plan initiated in 1937. The company includes Newspapers Inc., publisher of the *Milwaukee Journal* and *Milwaukee Sentinel.*

Donald B. Abert, chairman, called 1980 "a truly recessionary year." He said tight credit and high interest rates affected many advertisers in the automobile and real estate businesses.

Newspapers Inc., which also includes Trumbull Newspapers of Connecticut, had $123,600,000 in sales, in second place to commercial printing with sales of $126,600,000. The printing subsidiary consists of Perry Printing Corp. of Waterloo, Wis., and Tempo Communications.

Broadcast operations had sales of $25,000,000 up from the 1979 figure of $21,300,000. The gain was credited to KNTV in Las Vegas, Nev. and Teltron Cable TV, a cable television operation in central Wisconsin. Other broadcast properties include WTMJ-AM, WKTI-FM and WTMJ-TV in Milwaukee.

Teltron Inc., a subsidiary of the Journal Co., was established about a year ago to handle cable operations in Wausau, Stevens Point and Wisconsin Rapids, Wis., and to develop electronic information services. Midwestern Relay Co., which offers microwave transmission services, posted a 10 % sales gain with $4,640,000. MJE Corp., which provides educational materials, fell slightly to $3,590,000.

MEDIA PROPERTIES
Newspapers: *Milwaukee Journal, Milwaukee Sentintel.* Also, Trumbull Newspapers in Connecticut (*Easton Courier, Huntington Herald, Monroe Courier, Trumbull Times*).
Broadcasting: TELEVISION—WYMJ-TV, Milwaukee; KNTV, Las Vegas. RADIO—WTMJ (am), WKTI (fm), Milwaukee.
Cable/video: Teltron Cable TV; Teltron Cable serving Stevens Point, Wausau and Wisconsin Rapids, Wis.

OTHER OPERATIONS:
Perry Printing Corp, Waterloo, Wis.; Tempo Communications, Midwestern Relay Co.; MJE Corp.

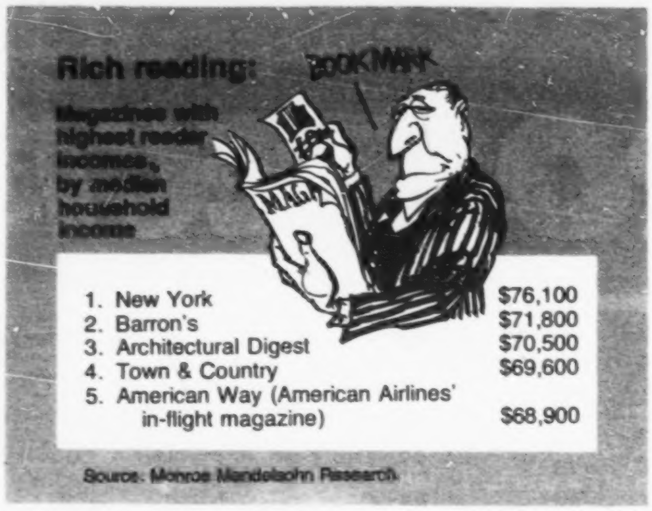
Knapp Communications Corp.

Knapp Communications Corp., Los Angeles, is the country's 99th largest media company, with 1980 revenues of $50,000,000 from media operations all from consumer magazines. Magazines accounted for about 92.6% of the company's total revenues of more than $54,000,000. The privately owned company projects revenues of $70,000,000 in 1982.

Knapp Communications is best known for the magazines *Architectural Digest* and *Bon Appetit*. In September, it acquired the U.S. edition of *Geo*.

The past year or so has been one of significant growth for the company, represented by expansion in all of its divisions.

The first foreign-language edition of *Architectural Digest*—an Italian version titled *AD*—began publication in May in Milan. That was the first step in Knapp president Cleon T. Knapp's "planned program to 'internationalize' the publication." Negotiations are under way with publishers in France, England, Germany and Japan for editions in those countries as well.



Rich reading:

Magazines with highest reader incomes, by median household income

1. New York	$76,100
2. Barron's	$71,800
3. Architectural Digest	$70,500
4. Town & Country	$69,600
5. American Way (American Airlines' in-flight magazine)	$68,900

Source: Monroe Mendelsohn Research

Domestically, *Architectural Digest* last year posted a 26% gain in revenues to $27,500,000, while *Bon Appetit* posted a 29% rise to $25,480,000, according to *Folio*.

Knapp Press, the company's book publishing subsidiary, acquired Rosebud Books, a publisher of regional guides and promotional books that will operate autonomously as a separate division in Los Angeles.

- Knapp subsidiary Wilshire Marketing estimates $4,000,000 in sales for 1981. Its current plans include publication of a nationwide restaurant guide, organization of the *Architectural Digest* Fine Arts Society, publication of a "hard-to-find" fine foods catalog and a cooking school directory and cookbook.

Knapp's reputation for being able to turn around faltering magazine properties will be put on the line with *Geo*, which the large German publisher Gruner & Jahr A.G. could not make profitable.

In the purchase, Knapp acquired all assets and liabilities of *Geo's* U.S. edition, the right to publish the magazine worldwide in English, as well as English-language books based on material from the magazine, and all electronic publishing rights in the U.S. Purchase price was not disclosed. Knapp says that "no major overhaul of format or content is planned in the immediate future."

Another new magazine, acquired in April, is *San Francisco*, which Knapp bought from owners James Clark and West German publisher Wolfgang Dummer.

In other ventures, Knapp recently developed a corporate art collection and "limited edition" art posters by William Gatewood, commissioned through Mirage Galleries in Santa Monica and promoted through *Architectural Digest*.

Knapp also secured English-language rights to the famous Gault-Millau guidebooks. The first volumes, guides to London, New York and Paris, will be published next spring by Knapp Press.

Construction of Knapp Plaza, a high-rise office complex immediately east of Knapp's present Wilshire Boulevard headquarters, began this year and is scheduled for completion at the end of 1983.

MEDIA PROPERTIES:
Magazines: *Architectural Digest; AD* (Milan); *Bon Appetit; San Francisco; Geo.*

OTHER OPERATIONS:
Knapp Press, Rosebud Books, Wilshire Marketing.

Knight-Ridder Newspapers

Knight-Ridder Newspapers, Miami, is the country's ninth largest media company, with 1980 revenues of $1.099 billion, 75% of which came from its newspaper properties. The remaining revenues of this virtually all-media company came from three television stations and financial newswires. Nonmedia units, including a book publisher and several newsprint supply operations take care of the rest. Net income last year almost topped $93,000,000.

The publicly owned company had revenues of $905,487,000 and net income of $71,041,000 through the first nine months of 1981, putting it ahead of last year's pace.

This year is the first of an ambitious five-year plan to create a more diversified communications company.

That means that Knight-Ridder will continue to eye acquisitions in cable and over-the-air tv as well as pursue its experiments in electronic publishing.

During the year, the company made three major appointments in top management level posts. Richard Capen was named senior vp-operations, with responsibility for all nonelectronic aspects of the company's businesses. In addition, Albert Gillen, senior vp-broadcast, cable and Viewtron, and James K. Batten, senior vp-news and editorial, were named to Knight-Ridder's exec committee.

Last April, at the company's annual meeting, president-chief executive officer Alvah Chapman Jr. told shareholders that Knight-Ridder "is moving into the most exciting period in its history."

An indication of the new direction for Knight-Ridder was its unsuccessful attempt with Dow Jones to acquire UA-Columbia Cablevision, the nation's ninth largest cable tv company. Together the partners offered $80 a share but when the ensuing bidding drove the price to $90, Knight-Ridder and Dow Jones bowed out.

Nevertheless, this past year did see the addition of a fourth tv station. Knight-Ridder paid Landmark Communications $48,300,000 for WTAR-TV, Norfolk, Va., changing the call letters of the CBS affiliate to WTKR-TV.

Later in the year, Knight-Ridder, together with TeleCable Corp. and 19 Tampa, Fla., area residents, joined forces to apply for the cable tv franchise to serve that city.

But perhaps the biggest video news from Knight-Ridder came from its wholly owned viewdata subsidiary. In 1980, the unit equipped 204 homes in Coral Gables, Fla., with Viewtron screens and keyboards, giving the homes the opportunity to call up information and news, order goods and services, pay bills, entertain and educate—all without leaving their homes.

Among the advertisers in the program were Eastern Air Lines, Sears, Roebuck & Co., J.C. Penney Co., Shell Oil and Merrill Lynch, Pierce, Fenner & Smith. Those supplying information included Dow Jones, Associated Press, Knight-Ridder's *Miami Herald* and Macmillan Publishing Co.

Midway through 1981 the first phase of the viewdata test was completed and Knight-Ridder announced that it will launch a full-market trial of the service starting in 1983, when some 5,000 Florida homes will be equipped. "This marks the real beginning of our commercial business," a company official said.

Recently, Affiliated Publications Inc., Boston, publisher of the *Boston Globe* agreed to become a partner with Knight-Ridder in its viewdata tests.

If the 1983 experiment is successful, the two will initiate a joint venture to bring the service to Boston sometime later in the decade. American Telephone & Telegraph has also been a partner in the viewdata adventure.

The company's capital spending program is divided into two segments: Normal capital equipment requirements and expenditures under the five-year plan. Over the past five years normal expenditures have averaged about $25,000,000 and it is expected this level of spending will continue in the near future.

Meanwhile, five-year plan expenditures have totaled about $107,000,000 for the past three years and include $47,000,000 for a new production facility for the *Detroit Free Press;* $18,000,000 for expansion of the San Jose plant and $23,000,000 for the Lexington newspapers. These spending levels will continue in the future. All of the company's capital spending of recent years has been financed by internally generated funds.

MEDIA PROPERTIES:
Newspapers (dailies): CALIFORNIA—*Long Beach Independent Press-Telegram, Pasadena Star-News, San Jose Mercury, San Jose News.* COLORADO—*Boulder Daily Camera.* FLORIDA—*Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat.* GEORGIA—*Columbus Enquirer, Columbus Ledger, Macon News Telegraph.* INDIANA—*Fort Wayne News Sentinel, Gary Post-Tribune.* KANSAS—Wichita Eagle. KENTUCKY—*Lexington Herald, Lexington Leader.* MICHIGAN—*Detroit Free Press.* MINNESOTA—*Duluth Herald, Duluth News Tribune, St. Paul Dispatch, St. Paul Pioneer Press.* NEW YORK—*Journal of Commerce.* NORTH CAROLINA—*Charlotte Observer.* NORTH DAKOTA—*Grand Forks Herald.* OHIO—*Akron Beacon Journal.* PENNSYLVANIA—*Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times.* SOUTH DAKOTA—*Aberdeen American News.* WASHINGTON—*Seattle Times (49.5% owned), Walla Walla Union-Bulletin.*
Newspapers (nondailies): CALIFORNIA—*Anaheim Independent, Arcadia Tribune, Buena Park News, Duartean, Huntington Beach Independent, La Mirada Lamplighter, Monrovia News Post, Orange County News, Temple City Times.* FLORIDA—*Florida Keys Keynoter.* GEORGIA—*Milledgeville Union-Recorder.*
Broadcasting: WJRT-TV, Flint Mich.; WPRI-TV, Providence, R.I.; WTEN-TV, Albany; WTKR-TV, Norfolk, Va.
Cable/video: Tampa Cable Associates, Viewtron viewdata service (in test).

Hurricanes surge past Florida St., 27-19 Page 1C

Partly Cloudy
Details on 2A

The Miami Herald

First Edition

Power of Israel — it's still No. 1 in Middle East

West Cannot Overtake Us, Soviet Vows

2nd launch of Columbia is Thursday

Reagan is groping for that old team spirit

Georgia police attracted to easy money from drugs

Body found near Hitler not Eva, dental study hints

One of Knight-Ridder's stalwarts: The *Miami Herald*.

LFP Inc.

LFP Inc. (Larry Flynt Publications), Los Angeles, is the 97th largest U.S. media company, with estimated revenues of $52,000,000 from media operations in 1980, or 15% of total revenues of $350,000,000. The company's three monthly sexually oriented magazines, plus a variety of one-issue publications sold during the year, were the major contributors to media revenues. Much of its additional income is derived from the company's distribution arm.

The publishing division of LFP, Hustler Magazine Inc., currently produces three monthly magazines: Hustler, founded in 1974, with a current circulation of 1,600,000 and newsstand price of $3.50; *Chic*, begun in 1976 and now with a circulation of 250,000 and $2.95 price, and the three-year-old *Gentleman's Companion*, with a cover price of $3.50 and an unaudited circulation of 150,000. *Hustler* and *Chic* are both ABC-audited magazines.

Unaudited special issue magazines published throughout the year, which contribute to total revenues, are such "one-shots" as *Best of Hustler, Hustler Rejects, Best of Hustler Humor* and *Beaver Hunt*.

All the Flynt publications are essentially alike. A recent description of *Gentleman's Companion*, says it is a magazine designed to be sexually stimulating and informative and most of all entertaining. Articles dealing with sexuality are written in a straightforward aggressive manner, ultimately informing the reader of the latest in the sexual arena."

Top officers in the *Hustler* publishing empire, are Larry C. Flynt, publisher and chairman of the board, and his wife, Althea Leasure Flynt, president and associate publisher. Althea Flynt also holds the title of editor of *Hustler* and has assumed other management duties since Mr. Flynt was left partially paralyzed from a bullet wound inflicted in an attempt to assassinate him in 1978.

Mr. Flynt is no longer the highly visible personality he was during the series of obscenity trials in which he defended *Hustler*'s constitutional rights under the First Amendment. But while still recuperating from the attack on his life, he has remained active in the affairs of the company, particularly those of Flynt Distributing Co., which handles the worldwide distribution of all the company's publications as well as that of some 50 other publishers with up to 300 different titles.

Over-the-counter sales, not advertising, have been the mainstay contributor to the fortunes of *Hustler*. As evidence of this, company sales execs note that despite a cover price increase to $3.50 in January, the circulation of *Hustler* magazine in the first six months of 1981 was higher than in the previous six months when the cover price was $2.95, "bearing out the strength of the magazine and its appeal to close to a million and half buyers per month."

Flynt Distributing has shown dramatic growth since Mr. Flynt took over his own distribution activities in 1977 and now holds the No.5 position among the nation's distributors. Since 1978, net revenues to wholesalers from the sale of magazines distributed by Flynt reportedly have jumped from $11,000,000 to $36,000,000, a leap of 227%.

Recent advertising by the company points out that profits from *Hustler* and all Flynt-distributed magazines "go to the wholesaler/retailer communities, *not* to Uncle Sam's post office." The company says the *Hustler* delivers the highest profit per-copy-sold to wholesalers and retailers of all high-circulation ABC-audited magazines: Seventy cents to wholesales; 85 cents to retailers.

■ The Flynt sales force has expanded as rapidly as the distribution company. The company maintains offices in Los Angeles and New York, with a field sales force of 100 men and women—about 20% are marketing specialists who devote full time to developing new business in major supermarket, convenience store and drug chains.

MEDIA PROPERTIES
Magazines: *Hustler, Chic, Gentleman's Companion.*

OTHER OPERATIONS
Flynt Distributing Co.

Landmark Communications

Landmark Communications, Norfolk, Va., is the country's 39th largest media company, with revenues of $182,000,000, all in media. According to company chairman Frank Batten, 65% of Landmark's revenues were derived from newspapers, 10% from tv and radio and 25% from cable tv.

For the past 16 years, the privately held company has been expanded from its traditional image as a newspaper company. Although the company maintains its newspaper interests—10 dailies and 22 nondailies, with a combined circulation of 511,000—Landmark now has 19 cable systems in 14 states, two radio stations and two tv stations.

The company is applying for a cable franchise in Scottsdale, Ariz., and last April announced a joint application with Knight-Ridder Broadcasting for a franchise in Tampa, Fla. Landmark also has "several cable acquisitions pending, which should be announced before year's end," Mr. Batten said.

The company bought the rights to a transponder on RCA's Satcom I from the proposed but abandoned Premiere network in July, 1981, for $10,500,000. Then, in early October, the company leased rights for a transponder on Space Net I, to be launched in 1984, from Southern Pacific Communications.

■ When Landmark leased the Satcom I transponder, Mr. Batten announced it would be used for "a unique information service for cable audiences."

The service, dubbed the Weather Channel, is scheduled to go into operation in late spring of 1982. The brainchild of "Good Morning America" meteorologist John Coleman, the channel is to provide 24-hour weather forecasts for both local and national weather. Mr. Coleman, who was appointed president of the Weather Channel, approached Landmark early this year with the concept, which the company estimates will cost $20,000,000 to start.

A staff of 21 meteorologists will man the Weather Channel, which will be advertiser-supported with a maximum of 12 minutes of national commercials, and two minutes of local spots. Broadcasts will be continuous and live, with color radar, color satellite pictures and numerous weather features.

Local forecasts and advertising will be filtered through the Weather STAR (Satellite Transponder Addressable Receiver), which will be distributed free by Landmark to cable operators with 10,000 or more subscribers, and leased to those with 6,000 or less. The Weather Channel itself is free to operators on basic cable.

Mr. Coleman called the response from cable operators "absolutely fantastic" and said in early October that the Weather Channel had received commitments from multiple systems operators totaling more than 2,500,000 subscribers. It is not expected to break even until its third year of operation.

Although Landmark's TeleCable is the nation's 15th largest operator, with subscribers in 14 states, the Weather Channel is the company's first attempt at cable software. Because of the favorable response to the Weather Channel, however, Mr. Batten said that Landmark is "exploring other software possibilities."

Landmark sold WTAR-TV, Norfolk, Va., to Knight-Ridder Broadcasting for $48,300,000 in March. Landmark sold the station to avoid cross ownership reprisals, since it owns the *Virginian-Pilot, Ledger Star*, WTAR (am) and WKEZ (fm) in the Tidewater area. WTAR's president and general manager John O. Wynne succeeds Mr. Gietz as president of Landmark's broadcast division, and he is also responsible for new video programing ventures.

Although Mr. Wynne said, "I doubt anything as good as the Weather Channel will come along in the next two or three years in video," Landmark has been actively exploring video hardware.

New ventures analyst Bahnson Stanley said the company is looking into videodiscs, film production and distribution, video conferencing, on-line database systems, video programing, tv syndication, home security systems and cable services such as program guides and accounting/billing services. Mr. Stanley also noted that Landmark has been checking into computer software such as home videogames.

It has been a year since Landmark, the nation's 25th largest print news organization in circulation, acquired its last noncable acquisition, Citrus Publishing in Florida. Mr. Batten said, "Landmark is focusing on cable at the moment because it has the most potential for us."

Added Mr. Stanley, "We don't care how we deliver information, we just want to deliver it."

MEDIA PROPERTIES
Newspapers (dailies): CALIFORNIA—*El Cajon Daily Californian.* INDIANA—*Mount Vernon Democrat.* KENTUCKY—*Elizabethtown News Enterprise.* MARYLAND—*Westminster Carroll County Times.* NEW MEXICO—*Los Alamos Monitor.* NORTH CAROLINA—*Greensboro Daily News, Greensboro Record.* VIRGINIA—*Norfolk Virginian-Pilot, Norfolk Ledger-Star, Roanoke Times & World News.*
Newspapers (nondailies): FLORIDA—*Beverly Hills Inquirer; Citrus County Chronicle*, Inverness; *Crystal River Sentinel;* Sumter County Times, Bushnell. ILLINOIS—*Vandalia Leader Union.* INDIANA—*Rockport Journal & Democrat; Tell City News.* IOWA—*Glenwood Opinion-Tribune; Red Oak Express.* KENTUCKY—*Anderson News*, Lawrenceburg; *Carrollton News-Democrat; Casey County News*, Liberty; *Central Kentucky News-Journal*, Campbellsville; *Cynthiana Democrat; Lebanon Enterprise; Oldham Era*, La Grange; *Shelbyville Sentinel-News; Springfield Sun; Trimble Banner Democrat*, Bedford. MARYLAND—*Reistertown Community News; South Carroll Herald*, Sykesville. MISSISSIPPI—*New Albany Gazette.* VIRGINIA—*Galaz Gazette.* Also 16 free distribution publications and Capital-Gazette Newspapers, Annapolis, Md. (49.9% owned).
Broadcasting: TELEVISION—KLAS-TV, Las Vegas, Nev.; KNTV-TV, San Jose, Cal. RADIO—WTAR (am), WLTY (fm), Norfolk, Va.
Cable/video: TeleCable systems in ALABAMA—Auburn, Decatur, Selma. GEORGIA—Columbus. ILLINOIS—Bloomington. INDIANA—Kokomo. KANSAS—Overland Park. KENTUCKY—Lexington, Radcliffe. MISSOURI—Springfield. NORTH CAROLINA—Roanoke Rapids. SOUTH CAROLINA—Greenville, Spartanburg. TENNESSEE—Cleveland. TEXAS—Arlington. VIRGINIA—Wytheville. WEST VIRGINIA—Beckley, Princeton. WISCONSIN—Racine.

Lee Enterprises

Lee Enterprises, Davenport, Ia., is the country's 54th largest media company with media property revenues in 1980 of $135,103,000, or 99% of total revenues of $136,958,000. Newspapers accounted for $99,591,000 or 73% of total revenues, and broadcasting $35,512,000 or 26% of the total. Total net income for fiscal 1980, which ended Sept. 30, 1980, was $20,050,000.

The publicly owned company made the biggest acquisition in its history in 1980, with the purchase of Lindsay-Schaub Newspapers, publisher of five dailies and two weeklies for $64,400,000.

The company is now planning its role in what it calls "the telecommunications decade of the 1980s."

"There is a lot of random activity out there," says Lloyd Schermer, Lee Enterprises president. "What we must do is think about what we have now, and how we might use that [technology] effectively in the future."

What they have now are 18 newspapers scattered throughout the Midwest and West, four tv stations, four radio stations and a two-channel cable tv service in Mason City, Ia.

Years of work in computer capability are bearing fruit, Mr. Schermer says. One long-term goal, he says, has been to be able to provide advertisers with 1% to 100% of the occupied dwelling units in a given area, newspaper subscribers or not. "Our computer capability with seven of our newspapers is close to achieving that now," Mr. Schermer says. The next step, he says, will be too develop a delivery system equally as sophisticated.

■ The company has spent more than $100,000,000 on tv stations and newspapers in the past four years. Some company followers believe the company may have overextended itself a bit in its 1980 spending. Initially, the company borrowed $47,000,000 to acquire the five dailies and the two weeklies making up Lindsay-Schaub. Subsequently, it sold three of the dailies and both weeklies to Hearst Corp. for $15,400,000.

Also in 1980, under Federal Communications Commission pressure, Lee sold KIMT-TV in Mason City, Ia., where the company also owns a newspaper. That sale brought in $9,500,000 and a capital gain of $4,950,000. And in August, 1980 Lee bought the *Winona* (Minn.) *Daily News.*

Partly as a result of the Lindsay-Schaub acquisition and partly with an eye to making current and future acquisitions more manageable, Lee restructured its top managements in 1980. Richard B. Belkin was named vp-broadcasting and corporate planning, and James E. Burgess became exec vp with increased responsibilities in both operations and in administration.

To better consolidate and manage the newspaper operations, two new groups were created: Newspapers-East, with Robert D. Ross as vp, and Newspapers-West, with John Talbot as vp.

The company's interest in new technologies notwithstanding, Lee's current strategy seems to be to concentrate on existing properties, zeroing in on the more recent acquisitions to make them more profitable. "There will always be use for the printed word," says Mr. Schermer. "The object is to enhance newspapers with electronics."

Spending in 1980 was not limited to newspapers; about $7,000,000 went into the NAPP system, a 50%-owned joint venture with a Japanese company, to provide more NAPP printing plates to meet consumer demand. Recent breakthroughs might make the unit's polymer plates more economical than offset in the future. Another breakthrough is the development of films and papers that require no silver or chemicals, but only tap water for image development. The films will be for use by commercial printers.

Satellites, earth stations and tv software are all of possible interest to Lee, Mr. Schermer says. "We're scratching around," he says. "We're in good businesses, where there are more opportunities than threats."

MEDIA PROPERTIES
Newspapers: IOWA—*Quad-City Times*, Davenport; *Mason City Globe-Gazette; Muscatine Journal; Ottumwa Courier.* ILLINOIS—*Decatur Herald; Kewanee Star Courier; Southern Illinoisan Review*, Carbondale. MINNESOTA—*Winona Daily News.* MONTANA—*Billings Gazette; Montana Standard*, Butte; *Helena Independent Record; Missoula Missoulian.* NEBRASKA—*Lincoln Star.* NORTH DAKOTA—*Bismark Tribune.* OREGON—*Corvallis Gazette-Times.* WISCONSIN—*Wisconsin State Journal*, Madison; *Racine Journal Times; Lacrosse Tribune.*
Broadcasting: TELEVISION—KHQA, Hannibal, Mo.; Quincy, Ill.; WSAZ, Huntington-Charleston, W.Va.; KOIN, Portland, Ore.; KGMB, Honolulu. RADIO—WTAD (am), WQCY (fm), Quincy, Ill.; KFAB (am), KGOR (fm), Omaha, Neb. (partially owned by Associate Journal-Star Printing.

LIN Broadcasting Corp.

LIN Broadcasting Corp., New York, is the country's 85th largest media company, with revenues of $61,300,000 from media operations in 1980, or 95% of total revenues of $64,500,000. Television operations accounted for approximately 75% of LIN's operating income, radio 21%, and radio paging (beepers) 4%. LIN recently acquired the Guest Informant, a specialty publisher of hard cover magazines that are placed in hotels in major cities.

Morris Berkowitz, LIN vp-secretary treasurer, said that LIN is proceeding with a diversification plan that includes possible acquisitions of newspapers, book publishing companies, additional tv stations and cable tv operations. He noted that at the outset of the cable boom LIN had an opportunity "to purchase in that area but we never thought it would catch on. Now the costs are astronomical." LIN has over $100,000,000 in cash and borrowing power to finance its expansion plans.

While the company's principal line of business is broadcasting, LIN also is taking a strong interest in cellular mobil radio, a new technlogy that will provide, for the first time, adequate spectrum for mobile and portable telephones.

The company is in the process of fine-tuning the formats of several of its radio stations. As a group, the profits of the fm stations were up and the am stations were down. Revenues from the fm stations constituted almost 45% of total revenues in 1980, up from 37% in 1979.

LIN operates am and fm stations in Philadelphia, Houston, St. Louis, Milwaukee and Rochester, N.Y. KILT-FM, Houston, which had broadcast modern country music, changed to a beautiful music/country music format.

Following its acquisition by LIN, WEMP (am) went from contemporary music to Schulke-II, while WNUW (fm) airs adult contemporary music. The St. Louis and Philadelphia fm stations also switched to the beautiful music/country format. Its am sister also changed its programing from adult contemporary music, as did WUSL (fm) in Philadelphia.)

Of LIN's four tv stations, three are NBC affiliates and one ABC. LIN credits its presence in the growing Texas market for the company's strong tv operations.

MEDIA PROPERTIES
Broadcasting: TELEVISION—WXAS, Fort Worth-Dallas; KTVV, Austin, Tex.; WAVY, Portsmouth-Norfolk, Newport News-Hampton, Va.; WAND, Decatur-Champaign-Springfield, Danville, Ill. RADIO—WFIL (am), WUSL (fm), Philadelphia; KILT (am, fm), Houston; WIL (am, fm), St. Louis; WEMP (am), WNUW (fm), Milwaukee; WBBF (am), WMJQ (fm) Rochester, N.Y.

Macfadden Women's Group

Macfadden Women's Group, New York, is the country's 95th largest media company, with total fiscal 1980 revenues of $54,500,000 from publishing operations. Macfadden Holdings, which includes seven romance magazines and two men's publications, accounted for $32,500,000 in revenues last year; *US*, managed under the separate division of Peters Publishing, generated $22,000,000.

Privately owned by Peter Callahan, a 39-year-old accountant, the New York-based company has made "turnaround" properties its target for growth. Mr. Callahan's initiation into magazine publishing, came with his purchase of the 60 year-old Macfadden Women's Group from Bartell Media Corp. in 1975. With assumption of a $100,000 printer's debt and $7,500,000 in circulation liabilities, Mr. Callahan secured the collection of fan and confession magazines for a personal investment of $800.

■ Even more startling to the publishing community was Mr. Callahan's acquisition of *US* from the New York Times Co. in spring of 1980. The every-other-week magazine, positioned against Time Inc.'s highly successful *People*, was rumored to have lost $7,000,000 to $10,000,000 in its three years of operation. Mr. Callahan, with co-financing from Warner Communications, acquired *US* for no cash down, a $1,500,000 commitment in circulation liabilities and an obligation to pay the New York Times Co. a percentage of the magazine's profits as designated at the time of closing. Warner Publisher Services, a division of Warner Communications, retained national distribution rights for *US*.

Mr. Callahan says the company's goal remains one of aggressive acquisition. "We love to buy things economically and step in the shoes of people who have invested fair sums of money, but only when we're satisfied there's a magazine market."

- When Mr. Callahan purchased Macfadden's Women's Group, the magazines showed a loss of between $1,500,000 to $2,000,000. "The problem was everybody thought these magazines were dead or had no place to go but out of business," he said. "The emphasis at that time was on the major publishing markets of Chicago-New York-Los Angeles, but we sell a lot of product between those towns."

Mr. Callahan's strategy with the group was to concentrate on working class audiences in those other areas. He gradually phased out the group's fan magazines, which proved unprofitable in the face of weekly tabloid competition, and added two romance publications. Under the editorial direction of Florence Moriarty, the company tried to restore the confession books to that original readership of "blue collar women who have husbands, families, values." For a while, says Mr. Callahan, the content of the magazines was "somewhat salacious."

Mr. Callahan says that advertising sales for the women's group have fluctuated indeterminantly over the last six years. *True Story*, the flagship, turned in its best figures to date in 1980, he says, with a 15% increase in national advertising linage and a 33% rise in ad billing. Earlier, he made major cuts in *True Story*'s rate base, weeding out unprofitable sources of subscriptions in two steps. The original 2,000,000 figure was reduced to 1,800,000 and then 1,400,000 gradually leveling off at 1,500,000. Mr. Callahan says any loss in ad revenue was more than made up in mailing cost savings.

He attributes *True Story*'s gains to juvenile toy industry sales, as well as support from major food, cosmetic and cigarete companies.

- With the *US* acquisition, he saw a rich inheritance of $5,000,000 worth of supermarket racks and, at the time of purchase, 640,000 in newsstand sales. That figure now stands at 800,000. Total circulation is roughly 1,100,000 compared with 1,000,000 in spring, 1980, and 850,000 the previous year.

The magazine "recorded a small loss" last year, says Mr. Callahan, and he expects it will break even in 1981.

The next test for *US* is conversion to a weekly frequency, slated for fall, 1982. Mr. Callahan says the move is important to the magazine's performance against People, but not critical. "Matching frequencies will enhance our ability to compete.

It certainly makes the magazine more timely. And we have a lot of fixed costs we can spread over 51 or 52 issues. If we double our newsstand revenues, we have an opportunity to double the size of our business. Currently, says Mr. Callahan, "*US* is typically at every other [supermarket] checkout position. We endeavor to get every checkout position."

The cost of doubling the number of supermarket racks, expanding the magazine staff and conducting a tv campaign ($1,000,000 minimum) won't necessarily put *US* in the hole in 1982, Mr. Callahan says. "We have every expectation of making a profit the very first year, subject to the amount of money we put behind the conversion."

Mr. Callahan also believes that *US* is building an identity and readership among younger adults. According to Michael Boylan, managing editor of *US* under the Times' management and now exec vp of *US*, and vp of the women's group and Macfadden Holding Co., *US* is targeted at 18 to 34-year-olds with intentions of "entertaining first, informing second."

Macfadden's men's magazines, *Cheri* and *Pillow Talk*, represent a departure from Mr. Callahan's past publishing forays. "After several attempts to buy magazines in that category, we decided to start our own." *Cheri* was launched in 1976 with a capital investment of $250,000; *Pillow Talk* followed in 1977.

Can't stay away from making deals

His first acquisition attempt for his new employer went awry at the last minute, but it didn't take Karl Eller long to put a fresh deal together. Since February, Mr. Eller has headed the Columbia Pictures Communications division of Columbia Pictures Industries. Within months, he nearly had TDI/Winston, the nation's largest transit advertising company, in the Columbia fold, but the deal collapsed in May.

Two months later, though, Columbia was putting the finishing touches on an agreement to acquire Outlet Co., the broadcasting company, for $100,000,000 in stock. The Eller-orchestrated move will bring Columbia its first tv stations.

Nobody is surprised at Columbia's new aggressiveness. Best known for building Combined Communications into a multi-million-dollar public company that he sold to Gannett Co. for $367,000,000 in 1979, the soft-spoken Mr. Eller is perhaps without equal in the business of buying and selling media properties.

He has been wheeling and dealing throughout his career, except for a brief stay on the sidelines after he and Gannett parted ways. But he soon was back in action for Charter Co., for whom he acquired the *Philadelphia Bulletin*. "I just can't stay away from the media business," he said at the time.

What's on the shopping list for Columbia now? Just about anything in media, the 53-year-old Mr. Eller says. "[There is] nothing specific we can talk about now, but we're looking."

KARL ELLER

Mr. Eller does say he's not particularly interested in cable tv systems, however. "We're concentrating on the programing side, not the hardware," he says. "It's too cash-intensive for us." Besides, he adds, "The programing side is where the money will be made."#

He says advertising for *Cheri* is up 10% over last year, *Pillow Talk*, modeled after the letters format of Penthouse's *Forum*, is now in a every-other-monthly frequency slot as a result of a "terribly overcrowded field."

Mr. Callahan has also organized a film production company, Cheri Enterprises, a division of Cheri Publishing. The first show, called "America Uncovered," will be marketed to cable for airing in January.

MEDIA PROPERTIES:
Magazines: *Modern Romances, Pillow Talk, Secrets, True Confessions, True Experience, True Love, True Romance, True Story.* Peters Publishing—*US.*

OTHER OPERATIONS:
Cheri Publishing, Cheri Enterprises.

McCall Publishing Co.

McCall Publishing Co., New York, is the country's 56th largest media company, with total revenues in 1980 of $133,000,000, all from *McCall's* and *Working Mother* magazines. *McCall's* accounted for 96% of total revenues and *Working Mother* 4%.

This year has been a difficult one for many women's service magazines, but McCall's claims to have done better than some of its chief competitors. Ad revenues have been "flat in all areas," said president-publisher Raymond Eyes, but he said there haven't been any severe problems. "No single product has given us grief," he said.

He added that package goods advertising has held up fairly well, giving *McCall's* a solid advertising base.

The company recently has attempted to broaden its circulation base in order to attract younger readers. Mr. Eyes said that effort has been successful.

He cited *Working Mother*, which made its debut in 1979 as an every-other-monthly, as an example. McCall's was responding to the high percentage of U.S. mothers who held jobs outside the home. "One [survey] showed that 27% of all mothers with children under six months [of age] work," Mr. Eyes said. "And consider the market for working women with children under 18."

Circulation of *Working Mother* rose to about 300,000 this year from 200,000 in 1979, and the magazine switched to monthly publication in October. Its guaranteed advertising rate base will be raised to 400,000 next March.

Working Mother carries about 90 ad pages an issue. The magazine has reached its breakeven point and will begin to make money next year, Mr. Eyes said.

McCall's' circulation rate base will remain at 6,200,000 but the magazine will increase its ad rate by about 6% effective with the February, 1982 issue. It also will raise the subscription price to $11.95 a year from $10.95 with the same issue.

MEDIA PROPERTIES
Magazines: *McCall's, Working Mother.*

McClatchy Newspapers

McClatchy Newspapers, Sacramento, Cal., is the 52nd largest media company in the country. Its 1980 revenues were estimated at $136,800,000, all from media operations. The private, family-owned company has newspaper, radio, tv and an increasing number of cable tv holdings.

In the past year or two, McClatchy Newspapers has shifted its philosophy, media property emphasis and management.

A management restructuring in August, 1980, put two younger members of the McClatchy family—brothers C.K. and James—into key posts. C.K. became president and editor of McClatchy Newspapers, while James became chairman of the board and head of long-range planning and development. Another change boosted Erwin Potts, formerly vp-newspapers, to corporate vp.

The McClatchy brothers are said to be more interested in expanding the company than was their aunt, Eleanor McClatchy, who had run the company for years before gradually turning over the reins to C.K. starting in the early 1970s. Eleanor, who became chairman emeritus in the management changes, died in late 1980.

The McClatchy blueprint now calls for geographical as well as media segment growth, particularly newspapers and cable tv, James McClatchy's planning and development committee is examining a number of publishing and broadcasting experiments.

McClatchy Newspapers bought an 80% interest in the Anchorage (Ala.) *Daily News* in January, 1979. At that time, editor and publisher Kay Fanning was struggling to survive with 12 employes and 12,000 subscribers. Today the paper boasts more than 40,000 subscribers, and the staff has grown by more than tenfold. The McClatchys took a chance on the *Daily News* because they see Alaska as a significant growth area.

- The company also is positioning its community newspaper for growth. It says its weekly *Lincoln* (Cal.) *News and Messenger* serves the fastest growing suburban area of Sacramento. Another community paper, the *Gilroy Dispatch*, in California's southern Santa Clara county, became a daily paper the first week of November. It had been published three times weekly.

McClatchy's *Tri-City Herald* of Richland, Wash. is located in an area that has been listed as one of the fastest-growing parts of the country. However, Richland is a nuclear industry center and the slowdown in nuclear construction may impede the area's growth.

"We're successful because we're not located in stagnating centers like some eastern or midwestern cities that are experiencing economic decline and decay," says Mr. Potts, the corporate vp.

The company's best-known papers are the *Fresno Bee, Modesto Bee* and *Sacramento Bee*. Last Jan. 1, the *Sacramento Bee* opened the doors to its $40,000,000 building addition.

McClatchy owns eight radio stations (four am-fm combinations), but sold two tv stations in recent years to amass capital for investment in a new area for the company—cable tv. KMJ—TV, Fresno, was sold to San Joachim Communications for $13,500,000, while KOVR, Sacramento, was sold to the Outlet Company, of Providence, R.I. for $65,000,000.

Recently, the FCC approved an application by McClatchy Newspapers to operate an almost-defunct television station in the Knoxville, Tenn., market. The station, which is not operating yet. is the only over-the-air tv holding of the company.

- The balance of the McClatchy holdings are in cable tv. The company owns Fresno Cable Television, serving 6,000 subscribers and still growing. McClatchy also owns an adjacent system close to Fresno County in the Visalia-Tulare area called Sequoia Cable, which is just being built. McClatchy owns 80% of Tel-Cab Communications cable in Reno, Nev. The system began operating last Jan. 1.

Finally, the company owns 60% of a mature, active cable system called Norcal Cablevision, which supplies 35,000 homes with programing in the communities of Yuba City, Marysville and Oroville, north of Sacramento. Viacom is McClatchy's partner in that venture.

Aside from cable as an investment in the future, McClatchy is looking at the infant field of electronic publishing, hoping to find the best way to wed newspapers with cable. "Any new ventures for the company would be in that direction," a company exec said.

MEDIA PROPERTIES:
Newspapers: ALASKA—*Anchorage Daily News* (80% owned). CALIFORNIA—*Fresno Bee, Modesto Bee, Sacramento Bee, Clovis Independent, Gilroy Dispatch, Hollister Freelance* (50% owned), Lincoln News and Messenger, Morgan Hill Times. WASHINGTON—*Tri-City Herald*, Richland.
Broadcasting: TELEVISION—A Knoxville, Tenn., station not yet operating. RADIO—KFBK (am), KAER (fm), Sacramento; KMJ-AM-FM, Fresno; KBEE-AM-FM, Modesto; KOH (am), KNEZ (fm), Reno, Nev.
Cable/video: Nor-Cal, Yuma City, Cal., (60% interest); Sequoia Cablevision, Visalia, Cal.; Fresno (Cal.) Cable; Tel-Cab, Reno, Nev., (80% interest).

McGraw-Hill

McGraw-Hill Inc. is the country's 13th largest media company, with revenues of $644,800,000 from media operations in 1980, or 64% of total revenues of $1 billion. Business magazines, trade magazines and newsletters, including such publications as *Business Week* and "Platt's Oilgram" provided 30% of total revenues last year.

A variety of information services including "Dodge Reports" for the construction industry, Standard & Poor's Corp.'s debt-rating service and computerized economic data bases accessible to clients, accounted for another 30%. Four television stations provided 5% of total revenues.

Total profits last year were $86,536,000, up 12% from 1979.

The company, which publishes more than 30 business magazines and 29 newsletters, says it is trying to be the "preeminent supplier of information to business and the professions through both print and electronic media." It is especially interested in expanding its already substantial position in computer-related publishing.

■ This year, Joseph L. Dionne, formerly exec vp-operations, succeeded Harold W. McGraw Jr. as president-chief operating officer. Mr. McGraw remains chairman and chief exec. Mr. Dionne is expected to become ceo upon Mr. McGraw's retirement, scheduled for early 1983.

Although parts of the publishing and broadcasting side of McGraw-Hill's business operate in what are considered mature markets, the company expects publishing and broadcasting to grow 10% to 14% annually. It is especially interested in growth through acquisition.

Mr. Dionne has expressed optimism about *Byte* magazine acquired by McGraw-Hill in 1979, and another computer publication, *Personal Computing*.

"We are interested in the role of the computer in medicine and in providing legal information for professionals," Mr. Dionne said upon his promotion.

"We are also very interested in computer literacy, teaching computer neophytes how they can use computers in their business and personal lives."

Meanwhile, the company has taken steps to reduce the cyclical effects of economic downturns on its publications division by seeking balanced growth in ad pages, income from subscribers and service income from conferences, seminars and newsletters.

The launch of *Business Week International* at the beginning of 1981 is the company's most important new thrust this year. Initially, it is aimed at 300,000 managers throughout Europe, Asia, Africa, Central and South America.

■ Last year, the company also began "Coal Week International," a newsletter, and *NC Shop-Owner*, a quarterly under the *Industry Mart* umbrella. *National Petroleum News* was sold.

McGraw-Hill said that *Business Week* last year led all U.S. magazines in ad pages for the sixth straight year, held fourth place among U.S. magazines in ad revenue and led in total business and industrial ad pages for the 44th consecutive year.

Broadcasting operations consist of tv stations in Bakersfield, Cal.; Denver; Indianapolis and San Diego. Two are ABC affiliates, one NBC and one CBS.

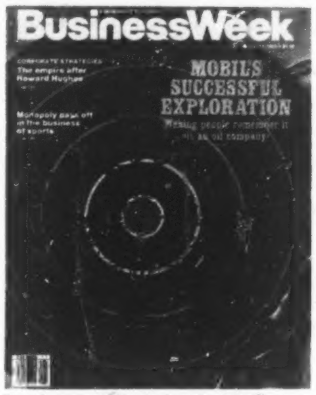
Last year, new computerized systems were installed to permit the relay of live signals from greater distances than before. Equipment was also installed to improve weather reporting capabilities. The company's broadcasting division has led the industry's battle—so far unsuccessfully—against the relaxation of FCC rules against syndication overlap.

MEDIA PROPERTIES:

Magazines: *American Machinist, Architectural Record, Aviation Week & Space Technology, Business Week, Business Week International, Byte, Chemical Engineering, Chemical Week, Coal Age, Data Communications, Electrical Construction & Maintenance, Electrical Wholesaling, Electrical World, Electronics, Engineering & Mining Journal, Engineering News-Record, Fleet Owner, Fleet Owner/Small Fleet Edition, Graduating Engineer, Housing, Industry Mart, International Management, Modern Plastics, Modern Plastics International, NC Shopowner, The Physician & Sportsmedicine, Popular Computing, Postgraduate Medicine, Power, Textile Products & Processes, Textile World, 33 Metal Producing*

Newsletters: Biotechnology Newswatch, Coal Statistics International, Coal Week, Coal Week International, Electrical Marketing, Electrical Week, E&MJ Mining Activity Digest, Federal Lands, Green Markets, Inside Energy, Inside F.E.R.C., Inside N.R.C., Inside U.S.D.A., International Construction Week, Keystone News-Bulletin, Long Term Care, Metals Week, Metalworking Sales Leads/MSL, Mine Regulation & Productivity Report, Nuclearfuel, Nucleonics Week, Platt's OHA Digest, Platt's Oilgram News, Platt's Oilgram Price Report, Platt's Oil Marketing Bulletin, Platt's Oil Policy and Regulation Report, PSRO Letter, Securities Week, Synfuels, Textile Week, Washington Health Record, Washington Report on Health Legislation, Washington Report on Medicine & Health.

Joint-venture magazines: *International Industrial Report, Medicina De Postgrado, Nikkei Architecture, Nikkei Business, Nikkei-Computer, Nikkei Electronics, Nikkei Mechanical, Nikkei Medical, World Medicine*


BusinessWeek
Corporate strategies
The empire after Howard Hughes
Monopoly pays off in the business of sports
MOBIL'S SUCCESSFUL EXPLORATION

Business Week leads McGraw-Hill's stable of magazines.

Broadcasting: KERO-TV, Bakersfield, Cal.; KMGH-TV, Denver; WRTV, Indianapolis; KGTV, San Diego.

Newswires and services: Chemical Week Newswire Service, Fuel Price Analysis, Metals Week Insider Report, Nikkei Datapro, Platt's L.P. Gaswire, Platt's Marine Fuel Bunkerwire, Platt's Oilgram Marketscan, Platt's Oilgram News/Wire, Platt's Petrochemical Scan, Polymerscan.

Information services: F.W. Dodge division, Sweet's Catalog Files; Data Resources, Datapro Reports, Construction Analysis System.

Financial services: Electronic Stock Reports, Standard & Poor's Corp.

OTHER OPRATIONS:
Mc-Graw-Hill Book Co., International Book Co.

Media General

Media General, Richmond, Va., is the country's 42nd largest media company, with revenues of $167,406,000 from media operations in 1980.

Media revenues accounted for 50% of total revenues of $332,460,000. Newspapers contributed

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For additional positive data please call Sandy Theophilakos, National Advertising Manager (201) 646-4257 - or your contact at Sawyer-Ferguson-Walker Co., The Record's national representatives.

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*N.Y.-N.J. SMSA includes the five boroughs of New York City, and the suburban counties of Westchester, Rockland, and Putnam, N.Y., and Bergen County, N.J.

$145,181,100 and broadcast operations $22,225,000. Of the newspaper revenues, $116,145,000 came from advertising and $24,000,000 from circulation. Total profits for 1980 were $28,300,000, up 11% from the previous year.

Acquisition is the key word in the Media General outlook, as the company emerges from a decade in which it has invested heavily in internal expansion. From 1970 to 1980, the company spent $135,000,000 on new plant and equipment.

In June, 1980, Media General bought Highlander Publications, California's largest chain of local newspapers, for $12,700,000. The company publishes 17 free distribution weeklies in the San Gabriel Valley area of Los Angeles County.

With the move, Media General entered into battle with Times Mirror Co., whose *Los Angeles Times* was aiming for total market penetration through a test of a free weekly newspaper called the *Best of the Times*. The *Best of the Times* was not a success, but Times-Mirror officials say they still plan to be prominent in that market in some other form.

■ To make its "total market penetration" more complete, the company added two more chains later in 1980. First was the Herald Press Newspaper Group, based in Azusa, Cal. This chain's circulation area borders that of the Highlander weeklies. Herald Press was merged into Highlander's operations.

Later, the company bought Mission Viejo-based Golden West Publishing, a chain of free weeklies in southern Orange County, for $8,000,000.

Alan S. Donnahoe, president of Media General, said the combined circulation of the 1980 acquisitions is 580,000.

The company says, "The move into the field of weekly publishing reflects our view that this field now offers the most realistic asset values in journalism." Weekly newspapers also represent untapped potential for national advertising as well as the opportunity to move from weekly to semi-weekly to daily newspaper status, justified by local population growth.

Mr. Donnahoe said that although no acqusitions have been completed in 1981, the company is "looking at anything in the communications field," and that "lots of properties are under consideration."

The primary contributors to Media General's newspaper operations have been the *Richmond Times Dispatch* (morning and Sundays) and the *Richmond News Leader* (evenings); the *Tampa Tribune* (mornings and Sundays) and the *Tampa Times*, and the *Winston-Salem Journal* (mornings and Sundays) and *Sentinel* (evenings).

The company has spent $4,500,000 on modernization and expansion of its broadcast facilities over the past five years, and says it will invest an additional $1,400,000 in 1981.

MEDIA PROPERTIES:
Newspapers: Highlander Publishing; Golden West Publishing; *Richmond Times-Disptach; Richmond News Leader; Tampa Tribune; Tampa Times; Winston-Salem Journal; Winston-Salem Sentinel.*
Broadcasting: WFLA—TV, Tampa; WFLA (am, fm); three cable tv systems in Fredericksburg, Va.
Cable/video: Cablevision of Fredericksburg Inc. (Virginia), serving surrounding unincorporated areas in Stafford and Spotsylvania counties.
Other media properties:
Cligott Publishing (professional magazines); Media General Financial Services.

OTHER OPERATIONS:
Garden State Paper Co.; Onduline USA (building materials); Beacon Press (commercial printing).

Meredith Corp.

Meredith Corp., Des Moines, is the country's 21st largest media company, with revenues of $330,459,000 from media operations in the fiscal year ended June 30, 1980. Magazine publishing accounted for about 65% of the company's total revenues of $403,425,000 and broadcast properties for about 17%. Total profits in fiscal 1981 were $25,575,000. Most of the company's 20% profit gain came from broadcasting and book publishing; magazine publishing showed a slight decline in profits.

Although at one time Meredith had interests in businesses not directly related to media, Robert A. Burnett, president and chief executive officer, says the company now is pursuing only areas that are "a natural outgrowth" of its media properties.

"All of our interests are tied together with the thread of our basic related businesses," says Mr. Burnett, pointing to printing, mail order and even real estate as areas with which Meredith can capitalize on the well known *Better Homes and Gardens* name.

An example of how Meredith sees this philosophy relating to the future is its current experimentation with evolving technologies.

In January, 1981, the company created a new operating unit, Meredith Video Publishing, to evaluate business opportunities in cable and satellite programing, based on the editorial content of its publications. The subsidiary since has co-produced "The Better Homes and Gardens Idea Notebook," a series of half-hour programs on home decorating, improvement and landscaping. The series is carried on the USA Network.

Meredith also is participating in a project with CompuServe, through which it offers supplemental food information from *Better Homes and Gardens* to home computer owners. In 1980, in conjunction with Texas Instruments, it developed a program called "Weight Control and Nutrition," designed for use with a TI home computer.

With *Better Homes and Gardens*, Meredith also will be one of the publishers providing information for Times Mirror Co's. electronic home information service experiment, scheduled to begin in several hundred Southern California homes next February.

Although he says it is unclear where any one of these projects may lead, Mr. Burnett feels it's important to investigate them. "I suspect we're going to have a presence on the software side," he says, noting that hardware or cable delivery systems are competitive with Meredith's printing operations. He says the company also could add newspapers, radio stations, more magazines and one more television station.

Meredith regularly updates the look and content of its magazines to reflect changes taking place among its readers. In April, 1981, the company changed the name of *Apartment Life* to *Metropolitan Home* and broadened its focus to include all "young, affluent adults in major metropolitan areas," whether they live in apartments or not. The company says the old name had become "self-limiting" and "no longer indicative of the magazine's content."

According to Mr. Burnett, Meredith will continue to revise its editorial products in light of audience trends. However, he says, this may not always mean a name change. For example, several less noticeable changes have been in Successful Farming this year in the form of graphic revisions and the introduction of new topics.

Mr. Burnett says he believes the company now has found "what we think we should be doing."

In late 1980, Wayne A. Miller, president of the publishing group, died. He was succeeded by Jack D. Rehm, who had been group vp and general manager of magazines.

MEDIA PROPERTIES
Magazines: *Better Homes and Gardens; Metropolitan Home; Sail; Successful Farming*, Better Homes and Gardens Special Interest Publications, Australian *Better Homes and Gardens.*
Broadcasting: TELEVISION—KCMO-TV, Kansas City; KPHO-TV, Phoenix; WNEM-TV, Bay City-Saginaw-Flint, Mich.; WPGH-TV, Pittsburgh; WTVH, Syracuse. RADIO—KCMO (am), KCEZ (fm), Kansas City; WGST (am), WPCH (fm), Atlanta, WOW (am), KEZO (fm), Omaha; Georgia Radio News Service.
Cable/video: Meredith Video Publishing.
Newspapers: (all community newspapers) ALBUQUERQUE, N.M.—*Heights Outlook, Northwest, South Valley.* Kirtland Air Force Base, N.M.—*Focus.* LOS ANGELES AREA—*City News, City Press, Griffith Park News, Hollywood Independent, Los Feliz Hills News, Northwest Leader, Parkside Journal, W.H. Son Living, Westlake Post, Wilshire Independent, Wilshire Post.* SAN JOSE AREA—*Campbell Press, Cupertino Courier, East San Jose Sun, Los Altos Town Crier, Los Gatos Times Observer, Milpitas Post, Mt. View Sun, North San Jose Sun, Santa Clara Sun, Saratoga News, Sunnyvale Scribe.*

OTHER OPERATIONS:
Better Homes and Gardens Books, Better Homes and Gardens Crafts Club, Better Homes and Gardens Family Book Service, Better Homes and Gardens Insurance Agency, Better Homes and Gardens Real Estate Service and Insurance Services, Meredith Finance Corp., Meredith International Ltd., Meredith Relocation.

Better Homes and Gardens
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A JOYFUL FEAST OF FABULOUS HOLIDAY RECIPES
• Family-made food gifts
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METROPOLITAN HOME
LUSH HOLIDAY ISSUE: Celebrate the good life
FESTIVE ROOMS: The way to warmth and comfort
FEASTS: Show-biz dinner & the right wines
EXCLUSIVE: Rating the new status symbols

Meredith Publications' two "approaches" to the home are in two of its publications.

Metromedia Inc.

Metromedia Inc., Seacaucus, N.J., is the country's 20th largest media company, with revenues of $333,720,000 from media operations in 1980, or 73.5% of total revenues of $454,000,000. Broadcasting accounted for 50% of total revenues, outdoor advertising about 24%. Operating profits for these businesses last year were $107,000,000.

Although tv, radio and outdoor advertising divisions contributed the majority of operating income in 1980, the company believes there is significant growth potential for suppliers of quality programing, which is the main business of its Metromedia Producers subsidiary.

In preparing for future growth, Metromedia has restructured its production subsidiary, and costs related to those changes are expected to put the division in the red this year. As part of its effort to expand into the production of programing for cable, pay tv, videocassettes and disks, Metromedia hired Robert D. Wood, a former president of CBS Television Network, to head the production subsidiary.

A substantial part of the division's revenue is derived from syndicated distribution of the "Merv Griffin Show," but the number of stations carrying the program last year was down to about 70 from 100 a year earlier. The division also distributes on a syndicated basis tv series produced by others and made-for-tv movies originally produced by the division for network tv.

The company's commitment to improving the division is indicated in its proposed acquisition of WCVB-TV, in Boston, this year for $220,000,000, a record price for a tv station. The purchase, which must be approved by the Federal Communications Commission, also includes BBI Communications, a production and distribution arm that provides the station with more than 60 hours of locally produced programing.

The ABC affiliate is sometimes described as America's most innovative local broadcast operation. Before the deal is approved, Metromedia must sell one its five vhf tv properties since FCC rules prevent a corporation from owning more than seven tv stations, including five vhf's and two uhf's. That is being accomplished by an agreement in principle to sell KMBC-TV, Kansas City, to Hearst Corp. for $79,000,000 to pave the way for the acquisition.

Last year, Metromedia boosted its radio holdings by acquiring Texas State Networks, four radio networks that provide news to 135 stations throughout the Southwest and KJR, Seattle, in an exchange transaction for KNEW, Oakland. Also last year, the company's KSAN, San Francisco, a leading rock station in the 1960s, became the first major fm country music station in its market.

Through its Foster & Kleiser subsidiary, Metromedia is the leading outdoor advertising company, with about 40,000 structures in 16 markets. Metromedia focused on local selling last year by offering packages that reach specific market groups. The approach gives advertisers a chance to use outdoor ads close to the outlets in which their products are sold.

As part of its corporate objectives, the company is getting out of the mail order business by selling Figi's and its related data center to American Can Co. In another move, Metromedia plans to buy 10 railway cars and up to 620 buses from New York's Metropolitan Transportation Authority and lease them back to the city as part of a tax-deduction plan allowed by the recent changes in federal tax law.

MEDIA PROPERTIES:
Broadcasting: TELEVISION—WNEW-TV, New York; KTTV, Los Angeles; WTTG-TV, Washington; WTCN-TV, Minneapolis/St. Paul; KMBC-TV, Kansas City; WXIX-TV, Cincinnati; KRIV-TV, Houston. RADIO—WNEW (am, fm), New York; KLAC (am), KMET (fm), Los Angeles; KSAN (fm), San Francisco; WASH (fm), Washington; WMET (fm), Chicago; WCBM (am), Baltimore; WOMC (fm), Detroit; WIP (am), WMMR (fm), Philadelphia; KRLD (am), Dallas/Fort Worth; KJR (am), Seattle. Metro Television Sales; Texas State Networks; Texas State Agribusiness Network; Metromedia Producers Corp.
Outdoor: Foster & Kleiser, (40,000 boards in 16 markets).

OTHER OPERATIONS:
Metrotape, Harlem Globetrotters, Ice Capades, Ice Capades Chalets, Figi's.

Minneapolis Star & Tribune Co.

The Minneapolis Star & Tribune Co. is the nation's 29th largest media company with revenues of $213,700,000 for fiscal 1980, which ended Feb. 28. All revenues were from media operations. Net earnings dropped 9% to $7,700,000 last year from the previous year.

The privately owned company has recently talked of mergers on two different fronts. First, the company has agreed to merge with its sister company, the Des Moines Register & Tribune Co. The companies are headed by two different factions of the Cowles family. In addition, the company is planning to consolidate the news staffs of its Minneapolis newspapers.

A merger with the Des Moines concern would result in a new, yet-unnamed company with headquarters in Minneapolis. John Cowles Jr., president of the Minneapolis company, would become chairman and chief executive officer of the new company. David Kruidenier, Mr. Cowles's cousin and chairman and ceo of the Des Moines company, as well as publisher of the *Des Moines Register and Tribune*, would become president of the new company.

The merger, expected to be approved early next year by shareholders, would end years of operating independence for the two companies. The newspapers in both cities, however, will retain editorial independence.

■ The new company would have annual revenues of $330,000,000, based on 1980 figures, considerably more than either company produced last year.The expanded financial base could be used to finance existing programs and new ventures. The company would also have substantially more assets on which to borrow. A combined company also would be more attractive to investors should it decide to go public. The company doesn't plan now to offer stock to the public, but it is anticipating that a secondary market will develop over time.

The company, in July, 1980, sold *Harper's* magazine, a prestigious publication that was never a financial success for the company.

The magazine was reported to be losing $1,500,000 a year when it was sold to the John D. and Catherine T. MacArthur Foundation of Chicago.

Two new ventures in which the company has interests are cable tv and electronic news dissemination. The company owns the 54,000-subscriber Cablescope, the 20th-largest cable system in the country. The company also is participating in Compuserve, an information system based in Columbus, O.

■ Christopher Burns, formerly an electronic information specialist with the Washington Post Co., recently was hired as associate publisher of the Minneapolis newspapers, with responsibility for marketing and electronic information.

Expansion in these areas might be slow, however. The company said in a letter in its 1980 annual report that prospects for the "electronic newspaper have been exaggerated."

It said the daily newspaper "is the backbone of our business, and we expect it to remain so for the foreseeable future."

The company's two principal newspapers, the morning *Tribune* and the afternoon *Star*, plan to merge their business news staffs to produce an expanded daily business section for both newspapers.

If the combined business section, which represents a departure from previous policy, is successful, sections such as arts and entertainment, sports and community news might also be combined.

Talk of the staff mergers once again touched off rumors, denied by the company, that the *Star*, like so many other afternoon newspapers, will fold or be merged totally with the *Tribune*.

The company this fall was criticized for its financial backing of a consortium of business leaders who promoted construction of a domed sports stadium in downtown Minneapolis. Mr. Cowles emerged as a leader of the group. In addition, the Star & Tribune Co. donated to the consortium $1,000,000 worth of land close to its offices. In exchange, the consortium received development rights over a 50-block area surrounding the stadium, which is to open in spring, 1982.

Rumors abounded that Mr. Cowles used his influence to kill serious reporting efforts by the Minneapolis newspapers into the consortium's maneuvering to obtain the development rights. Several days after the dome was inflated in October, the *Star* published several articles detailing the efforts of the consortium and its connection with the Minneapolis newspapers and Mr. Cowles. The articles drew mixed reviews from the public.

MEDIA PROPERTIES:
Newspapers: IDAHO—*South Idaho Press*, Burley. MINNESOTA—*Minneapolis Star, Minneapolis Tribune*. MONTANA—*Great Falls Tribune*. NEW YORK—*Buffalo Courier-Express*. SOUTH DAKOTA—*Rapid City Journal*. Community Publications Co.
Newspapers (nondailies): All in Colorado—Denver area (*Sentinel* newspapers in Commerce City, North Glenn-Thornton, Westminster, Arvada, Wheat Ridge, Lakewood, South Jefferson, Englewood, Arapahoe, Littleton, Aurora); *Blade, Market Place*, both in Brighton; *Broomfield Enterprise, Lowry Airman*.
Broadcasting: WTVH-TV, Wichita-Hutchinson, Kan.; WDRB-TV, Louisville, Ky.
Cable/video: Cablescope cable tv, Buffalo, N.Y.

OTHER OPERATIONS: Information Publishers, a commercial printer and publisher of various community directories.

Morris Communications Group

Morris Communications Group, Augusta, Ga. is the country's 71st largest media company, with estimated revenues of $89,000,000, virtually all of which come from its newspaper properties throughout the South and Southwest.

Morris became prominent on the national media scene in the early 1970s when it purchased for $41,000,000 the Amarillo Globe News Publishing Co. and *Lubbock Avalanche-Journal* from the Wittenburg estate, a family with wide interests in the Texas Panhandle.

These two newspaper properties, lumped in Southwestern Newspaper Corp. in the Morris hierarchy, presently account for about half of the total corporate revenues. Morris has pumped considerable capital into upgrading the Amarillo product in particular, which added a $5,000,000 annex to its Amarillo facility to house a new $3,500,000 Goss offset press. Several years after purchasing the Amarillo newspaper, Morris bought Southwest Offset, now called Southwest Publications, primarily a book and

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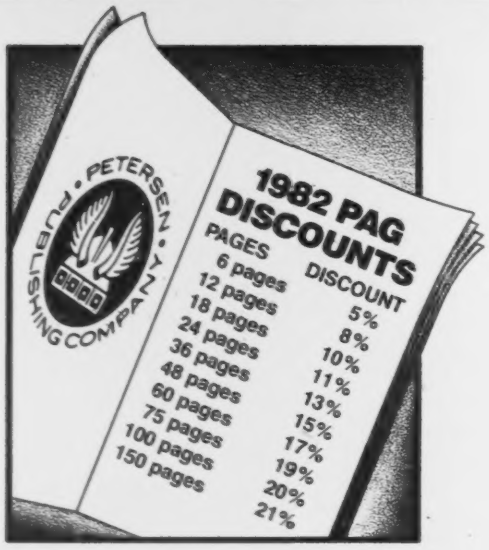

1982 PAG DISCOUNTS

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6 pages	5%
12 pages	8%
18 pages	10%
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magazine printer.

Morris's second largest division is Southeast Newspaper Corp., contributing just under 40% of media revenues. It includes the home-based *Augusta* (Ga.) Chronicle and *Herald* and the Sunday *Chronicle-Herald*, the *Savannah* (Ga.) *Morning News* and *Evening Press*. and the *Juneau* (Alaska) *Empire*.

Another subsidiary, Athens Newspapers Inc., owns the *Athens* (Ga.) *Banner-Herald*, which has estimated revenues for 1980 of around $4,300,000.

In addition to the 10 dailies published by the three subsidiaries producing total circulation of 320,817, Morris also publishes five weekly newspapers.

MEDIA PROPERTIES

Newspapers (dailies): Southeastern Newspapers Corp., including ALASKA—*Juneau Empire;* GEORGIA—*Augusta Chronicle, Augusta Herald, Savannah Morning News, Savannah Evening Press*. Southwestern Newspapers Corp. in Texas, including *Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche-Journal*. Athens Newspapers in Georgia, including *Athens Banner Herald, Athens Daily News*.

Newspapers (nondailies): Published by North American Publications: FLORIDA—*Tampa Neighbor;* GEORGIA—*Elbert Beacon, Elberton Star, Hartwell Sun, Royston News Leader;* SOUTH CAROLINA—*Hilton Head News*.

Other: Southwest Publications.

Multimedia Inc.

Multimedia Inc., Greenville, S.C., is the country's 44th largest media company, with revenues of $163,563,000 in 1980, all from media operations. Newspapers accounted for $71,332,000, or 44% of revenues; broadcasting $83,281,000, or more than 50%, and cable tv $8,950,000, or about 6%.

The company includes program production and distribution in its broadcast revenues.

Earnings for first nine months of this year were $17,884,000, compared with $15,180,000 in the year-earlier period, an 18% increase, while revenues for the nine months were $140,953,000, up 20%.

The publicly held company publishes 13 daily and 22 nondaily newspapers, and owns six tv and radio stations in seven cities. In addition, Multimedia operates 58 cable tv franchises in Kansas, Illinois, North Carolina and Oklahoma, with approximately 137,000 subscribers.

By the end of 1981, Multimedia expects all of its newspapers except the *Staunton* (Va.) *Leader* to have computers and video display terminals for the production of news and classified ads. Satellite receiver dishes will be installed at its papers in Winter Haven, Fla., and Clarksville, Tenn., to receive wire service news.

■ The broadcast division experienced a good year in every phase in 1980, company officials say. In program syndication, the "Donahue" show, a Multimedia production, was expanded to 224 stations and into Canada, Bermuda, Alaska and Hawaii.

Multimedia says it has set new standards for quality children's programs through its "Young People's Specials." The series received the Peabody Award and 18 Emmys and is seen on 136 stations.

Multimedia is reported to be the largest syndicator of country music programs for tv. The company also plans to start syndicating a nightly news magazine series called "America," which will be co-produced with Kelly Brothers Television. Plans call for the show to begin airing in the fall, 1982.

In the broadcast ownership area, Multimedia is awaiting FCC approval of its station trade with Pulitzer Publishing Co. Under the deal, Multimedia would trade two of its tv stations—WXII-TV in Winston-Salem, N.C., and WFBC-TV in Greenville, S.C.—and cash for Pulitzer's KSDK-TV in St. Louis.

■ As the potential for cable tv has grown, so has Multimedia's involvement. The company expended major efforts during 1980 to expand a new division, Multimedia Cablevision.

The number of cable subscribers "will grow rapidly as we continue construction in Wichita and suburban Chicago, and as we implement our purchase agreement for the Tar River Communications cable group in North Carolina," Wilson C. Wearn, chairman and chief executive officer, told the stockholders earlier this year.

In April, Walter Bartlett became president-chief operating officer, succeeding Mr. Wearn who became chairman-ceo in November 1980, after Kelly Sisk, the former chairman, died. Assuming Mr. Bartlett's previous position, broadcasting division president, is James T. Lynagh, formerly a vp, Post-Newsweek Co.

Multimedia also named Donald D. Sharra, former president of Kansas State Network, as president of the company's cable tv division.

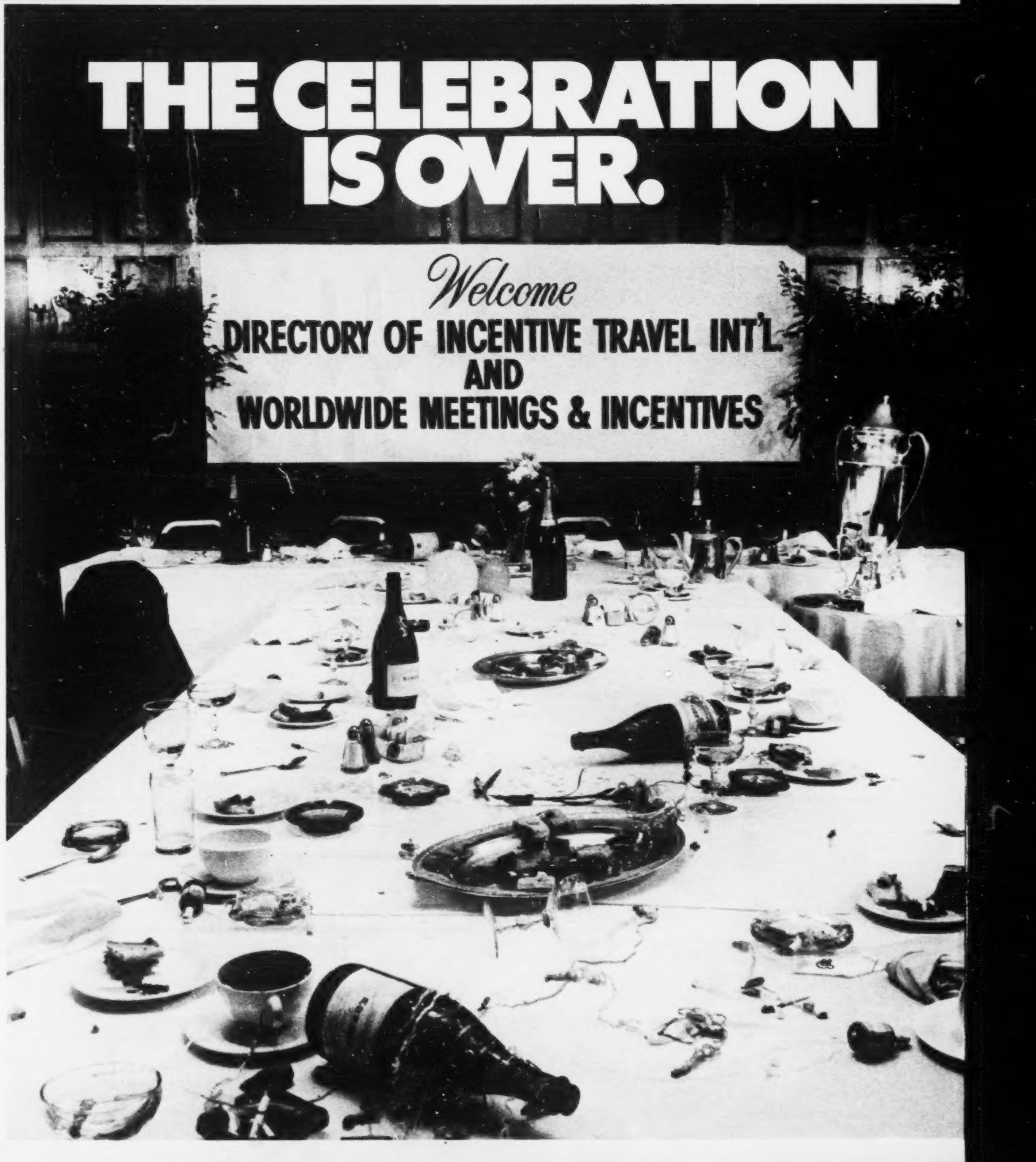
MEDIA PROPERTIES

Newspapers (dailies): ALABAMA—*Montgomery Advertiser, Alabama Journal*, Montgomery. FLORIDA—*Winter Haven Daily News-Chief*. GEORGIA—*Moultrie Observer*. NORTH CAROLINA—*Asheville Citizen, Asheville Times* OHIO—*Gallipolis Daily Tribune, Pomeroy-Middleport Daily Sentinel*. SOUTH CAROLINA—*Greenville News, Greenville Piedmont*. TENNESEE—*Clarksville Leaf-Chronicle*. VIRGINIA—*Staunton Leader*. WEST VIRGINIA—*Point Pleasant Register*.

Newspaper (nondailies): ALABAMA—*Prattville Progress*. ARKANSAS—*Baxter Bulletin*, Mountain Home, Ark. FLORIDA—*Auburn Star*. GEORGIA— *Weekly Moultrie Observer*. OHIO—*Tri-County News*, Gallipolis. TENNESSEE—*Ashland City Times; Dickson County Herald*, Dickson; *Donelson News Diary; Gallatin News-Examiner; Goodlettsville Gazette; Hendersonville Star News; Madison Community News; Music City News*, Nashville; *Nashville Record; Robertson County Herald*, Springfield; *Stewart Houston Times*, Dover-Erin; *Suburban News*, Nashville; *Waverly News-Democrat*. Six shoppers in Arkansas, Florida, Tennessee and Virginia.

Broadcasting: TELEVISION—WMAZ-TV, Macon, Ga.; WXII-TV Winston-Salem, N.C.; WIWT-TV, Cincinnati; WFBC-TV, Greenville, S.C.; WBIR-TV, Knoxville, Tenn.; WZTV, Nashville, Tenn. RADIO—KAAY (am), KLPQ (fm), Little Rock, Ark.; WMAZ (am, fm), Macon, Ga.; WAKY (am), WVEZ (fm), Louisville, Ky.; KEEL (am), KMBQ (fm), Shreveport, La.; WWNC (am), Asheville, N.C.; WFBC (am, fm), Greenville, S.C.; WEZW (fm), Milwaukee.

Cable/video: Multimedia Cablevision: ILLINOIS—Batavia, Chicago Ridge, Lisle, Oak Forest, Oak Lawn. KANSAS—Attica Township, Bel Aire, Crestview, Delano Township, Eastborough, Gypsum Township, Herrington, Kechi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AND
WORLDWIDE MEETINGS & INCENTIVES

(township and city), Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Minneha Township, Oaklawn, Park City, Park Township, Payne Township, Riverside Township, Shadybrook, Springdale, Timber Lakes, Waco Township, Wichita (65% interest). NORTH CAROLINA—Archdale, Ayden, Battleboro, Beaufort County, Belmont, Bridgeton, Chocowinity, Clinton, Craven County, Greenville, Indian Trail, Kinston, Lenoir County, Marshville, Mint Hill, Monroe, Mount Holly, Nash County, Nashville, New Bern, Pineville, Pitt County, Randolph County, River Bend, Rocky Mount, Sharpsburg, Tarboro, Trent Woods, Washington, Washington Park, Wingate, Winterville. OKLAHOMA—Bethany, Bixby, Crescent, Chickasha, Del City, Edmond, El Reno, Guthrie, Lindsay, Moore, Mustang, Nichols Hills, Perry, Tinker AFB, Valley Brook, The Village, Warr Acres, Yukon.

Other: Multimedia Program Productions (tv production and syndication).

National Enquirer

National Enquirer, Lantana, Fla., is America's 57th largest media company. It has no media holdings outside of its two print media operations, which generated total revenues of $129,000,000 from advertising and circulation in the fiscal year ended last March 31.

The company's mainstay, the *National Enquirer*, continued its domination of the weekly tabloid market in 1981 and remained, as its cover proclaims each week, the "largest circulation newspaper in America" 4,800,000, according to June, 1981 ABC figures; management claims it's nearly 5,000,000.

But while 1981 has doubtless been highly profitable for the company, it also has experienced some much-publicized trouble — the celebrated Carol Burnett lawsuit. Last June, a Los Angeles jury awarded the comedienne $1,600,000 based on an erroneous 1976 story concerning her alleged antics in a Washington, D.C. restaurant: It marked the first time that the paper had lost a suit in court.

A judge later halved the Burnett award, but Enquirer attorney Irving Younger says the ruling remains under appeal. Mr. Younger noted that the paper now faces 18 lawsuits, "give or take one," but he said that most are inactive and predate the Burnett case.

Only three "celebrity suits" are pending, filed by Cary Grant, Richard Pryor, and most recently by Raquel Welch, in the wake of an *Enquirer* cover story this year that said her marriage was collapsing. Mr. Younger claims the tabloid will not lose again, called the Burnett error "the kind of glitch that can occur in even the best machines." He said that he believes the company's fact-checking system rivals that of any media organization in the nation. Company offials anticipate no visible editorial changes as a result of the Burnett suit.

Legal troubles aside, the company continues its unusual success story. The *Enquirer's* mixture of celebrity gossip, medical and personal advice, cheesecake and cute kids has remained fairly constant, and company execs don't foresee any major changes in format. Owner-chairman Generoso Pope Jr. (described as a maverick entrepreneur) and editor-president Iain Calder remain atop the corporation's very tight management structure. The only notable change saw Michael J. Hay replace Thomas Kuncl as the *Enquirer's* executive editor.

Advertising director Ralph Gallagher said the paper's ad linage remains constant at 27 of each issue's 64 pages; after the Burnett ruling, several major advertisers said the case would not influence their decision to advertise there. Neil P. Carey, senior vp, marketing, noted that the gradual increase in the paper's circulation shows that the *Enquirer* still perches atop the still-expanding tabloid field, despite increased competition in the past five years from tabs such as the *Midnight Globe*, Rupert Murdoch's *Star* and the *National Examiner*.

A second Enquirer publication, *Weekly World News*, was launched in 1979, and Mr.Carey said its circulation has reached 600,000 "without any hype." A 1,000,000 figure is targeted for mid-'82, he said, adding that the tabloid mimics its parent publication, but offers more of a current news emphasis.

Though their established formula clearly works, National Enquirer Inc. has planned some changes for 1982. In October, the company changed ad agencies, leaving Grey & Davis in favor of Compton Advertising. The switch reportedly was linked to a conflict of interest — Grey took over a London agency handling the Murdoch group. The company began testing a major new tv campaign in San Antonio and Indianapolis during late October, Mr. Carey said.

"If our testing works out well, we will definitely be a very big television advertiser next year," Mr. Gallagher said. Mr. Carey said the bulk of the company's current advertising is on television, adding that the new spots seek neither to clean up the company's Burnett-bruised image nor a specific market. The new spots, if expanded, will be aimed at a larger general audience than any previous Enquirer campaign.

The company has no plans at this point to diversify into any other media or publications. "We just don't go for any of the fancy stuff," Mr. Carey said. "We just publish 52 weeks a year and work from there."

MEDIA PROPERTIES:
Newspapers: *National Enquirer, Weekly World News.*

National Geographic Society

The National Geographic Society, Washington, is the nation's 50th largest media organization, with advertising and circulation revenues estimated at $143,312,999 in 1980, or 66% of the nonprofit association's total revenue for the year of $217,180,871.

The society at the turn of the century pioneered development of a mass market for general interest magazines on science and geography. Alexander Graham Bell, better known for the telephone than his presidency of the infant society, invented one of the most successful magazine marketing strategies ever when he coupled subcription to the magazine with society "membership," giving customers a sense of participation in the stories covered.

The market created by *National Geographic* has established a publishing segment that has attracted a number of challengers, most significantly the Smithsonian Institution's prospering *Smithsonian* (approaching 2,000,000 circulation),

GUESS WHO WILL CLEAN UP.

Right. *You.*

And everyone else who has something to sell the multi-billion dollar corporate group travel market. Because you are going to spend a lot less to get considerably more.

The reason: the two key publications in the field—Directory of Incentive Travel International and Worldwide Meetings & Incentives—have done something to gladden the hearts of advertisers. They both joined the family of *Harcourt Brace Jovanovich,* America's leading publisher of business and professional journals.

So?

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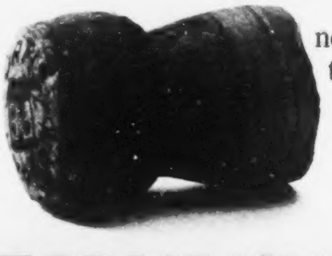
And you'll get some other enticing advantages from the HBJ connection. Such as sales lead programs, market research and audio-visual support of a magnitude no independent publisher could afford to offer.

We apologize for not inviting you to our celebration. But considering all we have going for you, you might consider one of your own.

Why not call us right now and discover how little it costs to *really* clean up?



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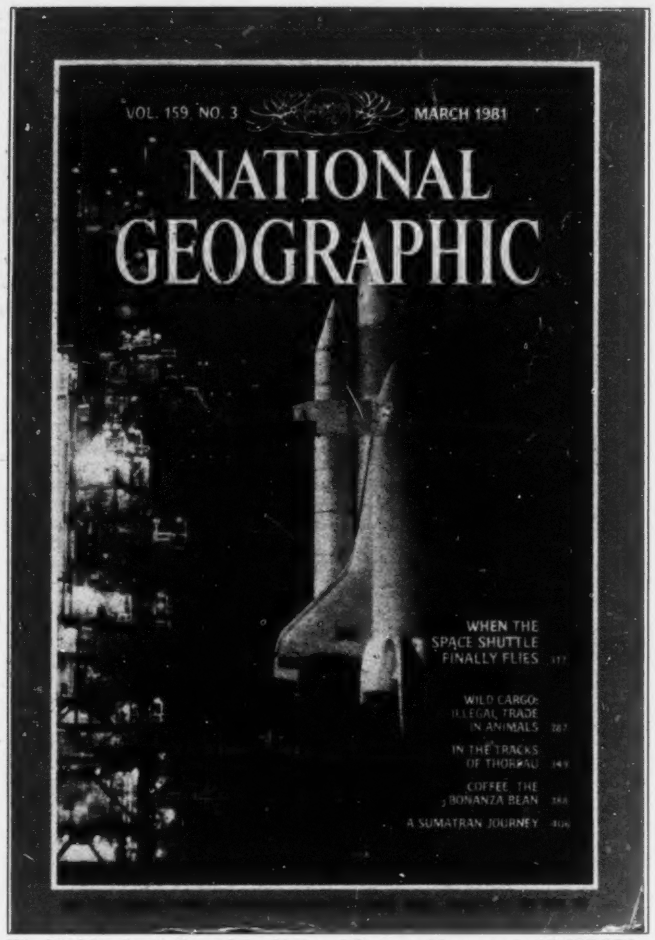


Worldwide circulation of the *National Geographic* exceeds 10,000,000.

and the U.S. edition of *Geo*, under new ownership after anemic subscription sales.

But *National Geographic* is not only the saint of its field but also one of the biggest sellers in the entire publishing industry. Audited worldwide circulation hit 10,733,000 (8,615,000 in the U.S.) last June 30. Society president Gilbert M. Grosvenor reports in the December issue that by yearend, 1981, membership in the society will reach 10,850,000, an increase of more than a third from 10 years ago. *National Geographic* was the third largest consumer magazine in the U.S. last year, bested only by *TV Guide* and *Reader's Digest*.

The enormousness of the society's sales effort is illustrated by the *Geographic's* 84% annual renewal rate among members. Simply to stay at its 10,000,000-member level, the society signs up 1,600,000 new readers of the magazine every year.

"Right now the *Geographic* is in a strong, healthy economic condition," Mr. Grosvenor says. But the society is testing television and newspaper ads to sell new society memberships as the costs of direct mail, its traditional sales medium, go up.

Mr. Grosvenor, who became president of the society last year after 10 years as editor of the magazine, is the third generation of his family to hold the top spot at the society, and he's a visionary. "I'd be greatly disappointed if within the next five years or so we aren't using the videodisc technology to deliver information," he said. "You could put an entire atlas on just one portion of the disc."

While no firm projects are under way, he also sees the *Geographic* sizing up new information products for the "retired market," and possible general-interest family film theaters. Mr. Grosvenor compared *National Geographic's* award-winning television specials—in terms of their long-range planning and production time—to the kind of work "the old Walt Disney organization used to do, but aren't doing any more."

But he's not so certain that the *Geographic's* circulation will go on growing indefinitely, contending that the uncontrolled circulation growth was a "fatal mistake" contributing to the demise of *Life*, *Look*, *Collier's* and *Saturday Evening Post*. There's room for growth overseas, he said, but the society has yet to publish a foreign-language edition.

While circulation for the *National Geographic* has grown, ad volume has dropped from the 1960s when Mr. Grosvenor said the society was "turning away" advertisers and carrying 800 to 900 pages a year. "I happen to think we are as attractive an advertising medium today as we were then," he said, adding he hopes to raise the magazine's profile with advertisers.

More zoned editions are a possibility (the *Geographic* has seven regional and five metro editions), as four-color page ads in the full-run U.S. edition now cost $95,575, with black and white $73,520, a potential impediment to some advertisers.

■ The society successfully entered the children's magazine field in 1975 with "National Geographic World," aimed at 8 to 12-year-olds, which now boosts circulation of about 1,800,000. Unlike the *Geographic*, the children's magazine does not carry advertising. The *Geographic* still does not accept ads for tobacco products, alcoholic beverages or proprietary drugs, and carries fewer ad pages (388 vs. 1,020 in 1981) than *Smithsonian*. But both magazines actively woo other advertisers.

Mr. Grosvernor called 1981 a banner year, citing editorial innovations in the magazine, including, an extra, 13th edition devoted entirely to the energy problems facing the U.S. and a new "minibook" approach that groups longer, interelated articles together in a single issue. And, after 94 years, the *Geographic* has added a letters to the editor page.

Long a Washington "institution," the society has just broken ground on a new $30,000,000 office building in anticipation of future growth.

When completed, the new structure will join two existing society buildings and dominate an entire block of prime downtown Washington real estate.

The society is a major publisher of books (in excess of 4,000,000 copies sold each year), atlases and maps, a producer of educational films, filmstrips and globes, and co-producer with WQED-TV, the public tv station in Pittsburgh, of the highly acclaimed "National Geographic" tv specials. Nearly all of the costs of the tv specials, now in their 16th year, are underwritten by Gulf Oil Corp., and tv operations are not a significant revenue producer for the society. Of last year's $143,312,999 in media revenues, about $106,000,000 came from the cost of the Geographic to members, $26,405,336 from advertising and $10,907,663 from "National Geographic World" subscriptions.

MEDIA PROPERTIES:
Magazines: *National Geographic*, "National Geographic World."

New York Times Co.

New York Times Co., the country's 11th largest media company, had revenues from media operations—newspapers, magazines and broadcast facilities—of $678,976,000 in 1980, up 13% from the year before and equal to 93% of total revenues of $733,237,000. Net income totaled $40,609,000.

The *New York Times* brought in almost two-thirds of the company's revenues last year, and its total of $463,356,000 represents an 18% gain over the paper's revenues in 1979. Operating profit for the paper jumped 15% to $31,445,000 in 1980 from 1979, a continuation of the strong rebound from 1978, when the paper lost $12,557,000 because of a citywide newspaper strike.

The company's strong performance continued into 1981, as revenues for the first nine months of the year were up 19% to $205,600,000 and net income rose 22% to $36,400,000. Each of this year's three quarters has produced a record for that quarter in earnings and revenues.

Again, newspapers led the company, as the *Times* and 18 small papers in the South recorded a 32% gain in operating profit to $9,900,000.

■ These gains came after the *Times* had, in 1980, one of its most impressive years ever. It carried more advertising than ever before—90,100,000 lines—and saw its circulation grow to 887,211 daily and 1,461,673 on Sundays. The *New York Times Magazine*, with 4,397 ad pages, was once again second—McGraw-Hill's *Business Week* was No. 1—among all major consumer magazines in total ad pages in 1980. The price of the paper also went up—to $1.00 on Sunday.

Despite some initial resistance from advertisers and readers, the national edition of the *Times*, introduced in 1980, continued to show gains in 1981. The company decided earlier this year to expand its operations by opening a second printing plant, in Lakeland, Fla.

The plant, which will complement the Midwest facility in Chicago, will be used to speed morning delivery of the national newspaper in the South. The national press run is currently 52,000 copies weekdays and 134,000 Sundays, figures that will not change dramatically with the addition of the new plant.

The company's 18 dailies and weeklies in Florida, North Carolina and Louisiana showed an 18% gain in operating profit in 1980, with the group's two largest papers, the *Lakeland Ledger* and *Wilmington* (N.C.) *Star-News* registering substantial gains in circulation and advertising shares.

■ The magazine division had a more lackluster year than the rest of the company, as revenues dropped to $148,223,000 from $153,656,000 a decline of 4%, while operating profits increased 43% to $13,961,000. Both those figures were affected by the sales of *Us* and the Australian *TV Guide*.

The company's *Family Circle* continued its position in 1980 as one of the top-selling magazines in the country, but experienced the same problems being felt by most of the traditional women's magazines, as ad pages declined 11% and circulation dipped 3%. Results look a little more promising this year, with ad pages up 7% through the first 14 issues of 1981.

Golf Digest saw its ad pages decline to 822 in 1980 from 945 the year before, but rebounded in 1981, as pages for the first six months of the year were up by about 5%. *Tennis* had the reverse experience, as its pages jumped by 8% in 1980, but declined by about 6% through the first half of 1981.

The company's other magazine holdings—Australian editions of *Family Circle* and *Better Homes and Gardens*—were sold to an Australian conglomerate for a reported $11,000,000.

The company expanded its broadcast operations in 1980 by acquiring a Huntsville, Ala., tv station, bringing to three the number of southern tv stations the company now owns. The New York Times Co. also owns WQXR-AM-FM in New York, which recently went to all-night programing and which counts a weekly cumulative audience of 952,000 listeners for its classical music programing.

Operating profit for the broadcast group rose by 21% in 1980, to $3,842,000, while revenues increased 46% to $17,252,000.

THE NEW YORKER

Ever the epitome of grace: *The New Yorker.*

MEDIA PROPERTIES:
Newspapers: FLORIDA—*Anna Maria Islander, Avon Park Sun, Fernandina Beach News-Leader, Gainesville Sun, Golden Gate Eagle, Lake City Reporter, Lakeland Ledger, Leesburg Commercial, Marco Island Eagle, Ocala Star-Banner, Palatka Daily News, Sebring News, Zephyrhills News.* NEW YORK—*New York Times.* NORTH CAROLINA—*Hendersonville Times-News, Lexington Dispatch, Wilmington Star-News.* Louisiana-*Houma Daily Courier, Thibodaux Daily Comet.*
Magazines: *Family Circle, Golf Digest, Tennis.*
Broadcasting: TELEVISION—KFSM-TV, Fort Smith, Ark.; WHNT-TV, Huntsville, Ala.; WREG-TV, Memphis. RADIO—WQXR-AM-FM, New York.

OTHER OPERATIONS:
Books, education and information (a news service, features syndicate, information retrieval services, micropublishing and the publication of books and educational materials), equity interests in Madison Paper Industries, three Canadian newsprint companies and the *International Herald Tribune.*

The New Yorker Magazine Inc.

The New Yorker Magazine Inc., New York, is the nation's 98th largest media company, with revenues of $50,138,975 from media operations in 1980, or nearly 88% of total revenues of $57,797,248. *The New Yorker*, the 56-year-old literary magazine, accounted for all the media revenues.

About 13% of total revenues came from Boulder Enterprise, a Colorado printing subsidiary, and less than 1% came from minority interests in an electronics company and a publisher of medical books and journals.

The publicly owned company earned $6,736,835 before taxes last year. George J. Green, New Yorker president, says 1981 will be "the best year we've ever had," topping last year's record net earnings of $3,619,599 and exceeding the 1980 record high of 4,222 ad pages in *The New Yorker* by 75 to 100 pages.

Next year, "represents much more of a challenge" because of the national recession, said Mr. Green, who is chairman of the Magazine Publishers Assn. But he added there is a consistently strong market for high price, quality goods.

■ "There just seem to be more people willing to spend on the kind of items advertised in *The New Yorker*," he said. He noted that the magazine's readership is stable, with a subscription renewal rate of 75.5%—one of the highest among U.S. weeklies.

"Unlike other publishers, we haven't spent a great deal of money over the last several years in promotion," Mr. Green said. "We may in 1982, if the grim economic predictions are correct."

But even in a sluggish economy, *The New Yorker's* advertisers "realize that our audience represents potential buyers in bad times," he said. "So I think our advertisers come to us even more in bad times that any other time, because of the concentration of potential customers."

Last year saw *The New Yorker* shift to a cold-type and photopolymer letterpress printing system, replacing its former linotype and engraving processes.

■ In September, the company acquired 60% of *Horticulture*, a 77-year-old Boston-based gardening magazine with a circulation of about 105,000. Eliot Wadsworth II, owner of White Flower Farm in Litchfield, Conn., owns the rest of the publication.

The first issue of *Horticulture* reflecting New Yorker's ownership will appear in January.

"We are going to improve the editorial product and develop circulation because of the better editorial material," Mr. Green said. He added he expects a resulting boost in *Horticulture's* current ad volume of about 300 pages a year.

In March, 1980, New Yorker acquired a 33% interest in Raven Press Books Ltd., which gives the company a foothold in medical journals. "The journal business is one there can be growth in," Mr. Green said. The company's policy is to keep an eye out for more "compatible" companies to buy into, Mr. Green said.

The company's other interests include wholly-owned Boulder Enterprise, which prints computer forms and letters, chiefly for the publishing industry, and 35%-owned Teleram Communications, which makes and sells video display editing terminals for newspapers. Teleram wasn't profitable last year because of development costs, but will be profitable this year, Mr. Green said. Profits will be up this year after a decline in 1980, he said.

Recent personnel changes at the company include the naming of Robert F. Young as advertising director of *The New Yorker*, replacing William P. Buxton, who retired, and Douglas W. Florenzie as circulation director, replacing Frank Ogden, who also retired.

MEDIA PROPERTIES:
Magazines: *Horticulture*, *The New Yorker*.

OTHER OPERATIONS:
Boulder Enterprises (35% interest), Raven Press Books Ltd. (33% interest), Teleram Communications.

The man who beat Ma Bell

There's "no way" he would take on politics fulltime, says Robert G. Marbut, but his nearly fulltime politicking earlier this year helped block American Telephone & Telegraph's proposed test of its "electronic Yellow Pages" in Austin, Tex.

Mr. Marbut, 46, is president and chief executive officer of San Antonio-based Harte-Hanks Communications and chairs the telecommunications committee of the American Newspaper Publishers Assn. The publishers group doesn't want AT&T to be able to originate information that would be sent into homes via its telephone lines; newspaper people see that as a formidable threat to newspaper advertising.

AT&T scrapped its proposed Austin test after Mr. Marbut led a successful lobbying effort that resulted in the Texas Public Utilities Commission's ordering new hearings on the matter.

Mr. Marbut also has gone to Washington with his case, and in early October the Senate voted 90 to 4 to pass a bill that says AT&T cannot be an electronic publisher in markets where it owns the local telephone business. House action is pending.

ROBERT MARBUT

Meanwhile, Mr. Marbut is overseeing the fortunes of Harte-Hanks, a rapidly growing newspaper and broadcasting company that is no slouch itself in the electronics information business. One Harte-Hanks paper, the *Middlesex News* in Greater Boston, this fall became one of 11 newspapers in the Compuserve project, a videotext service that offers dial-a-computer information access to subscribers who own home computers.

Mr. Marbut says he's glad Congress is looking into the "whole communications law," which he wryly suggests is "a little out of date," much of it being embodied in the Communications Act of 1934.

He's convinced the political process will work, Mr. Marbut says, but adds that it's a little slow for somebody used to daily deadlines.

S.I. Newhouse & Sons

Samuel I. Newhouse & Sons, New York, is the country's fifth largest media company, with estimated 1980 revenues from media operations of $1.25 billion, or 89% of total estimated revenues of $1.4 billion. Its estimated profits last year were $100,000,000.

Nearly three-fourths of the company's media revenues are generated by newspapers, followed in size by magazines published by its Conde Nast subsidiary, radio stations and cable tv systems. Media revenues exclude an estimated $150,000,000 derived from Random House books.

Newhouse is the country's largest privately owned media company, according to AA figures.

The family-owned and-operated New York-based company has no chief executive officer. Its top management structure seems to be based more on a division of labor among family members Samuel Newhouse Jr., his brother Donald, and their uncles Theodore and Norman.

That arrangement has existed for three years, since the death of Samuel I. Newhouse, father of Samuel Jr. and Donald. Mr. Newhouse ran the company with a scorn for titles and other executive trappings. Today Samuel I. Newhouse Jr. is the Newhouse the others defer to and the acknowledged company publisher.

Still, there have been some changes in the company, one of which seems to be a decision to expand more aggressively into businesses other than newspapers. Analysts who watch the company even though it is not public say there are several indications of this.

■ Says one, "They have been saddled with some not very profitable newspapers, including the *Cleveland Plain Dealer* and the *St. Louis Globe-Democrat*. And while the Booth Newspapers chain in Michigan was a profitable group when acquired, it is not nearly as much so now largely because of the Michigan economy. Also, *Parade* magazine is not doing well because of the recent proliferation of local Sunday magazines as well as management problems."

Perhaps more telling, however, is the fact that Newhouse has not bought a newspaper in the last three years, unlike many of its competitors.

On the other hand, Newhouse has made additions to its other divisions, particularly Conde Nast magazines. During the last three years, Newhouse acquired GQ from *Esquire*, started up *Self* and now is planning to revive *Vanity Fair*.

It has been sprucing up existing properties, including *House & Garden* and *Mademoiselle*. *House & Garden* is considered the weakest publication within Conde Nast, having suffered declines in ad revenues and, until recently, no real increases in circulation. *Bride's*, *Vogue*, *Glamour*, *GQ*, and *Mademoiselle* have all been growing.

Over the last 10 months, Conde Nast management has made visual and editorial changes in *House & Garden* and started pursuing a younger reader. As a result, according to the company, *H&G* was the only shelter magazine to show a total circulation gain from January to June, posting an 11.2% increase. Newsstand sales increased 9.2%.

In the last two years, *Mademoiselle* also was changed editorially and this year its look was revamped. Its current circulation, about 70% newsstand normally is about 700,000 although some months it can rise to as high as 900,000, up from 400,000 20 years ago.

There are indications that *Self*, much touted as one of the most successful new magazines ever, may now be experiencing some growing pains.

Conde Nast management says it is booming with 800 ad pages projected for this year and over 1,000 for next, but *Self* carried fewer ad pages in October, 1981 than 1980, sources say. They add that while *Self* has managed to enlist the ad support of beauty advertisers, it has had a harder time cultivating second, third and fourth categories of advertisers.

Due to its strong health stance, it has not been able to rely on cigaret and liquor advertisers for support nor has it managed to build a strong fashion ad category.

Other indications that Newhouse is actively seeking to grow in areas apart from newspapers, include its acquisition of Random House for about $65,000,000 in February, 1980.

In broadcasting, Newhouse has sold its tv properties in Syracuse, Elmira and Birmingham, N.Y., Harrisburg, Pa.; Portland and St. Louis to the Times Mirror Co., while retaining its radio stations in those cities.

Concurrently, it has ventured further into cable with the acquisitions of Vision Cable Co. and Daniels Properties—CATV Interests.

Established cable operations of Newhouse include NewChannels and MetroVision. The company's increased interest in cable, those close to the company believe, signifies a broadening of focus and more interest in providing information rather than just entertainment, paralleling similar moves by Time Inc. and Ziff Corp., which also got out of broadcasting.

Still, some in the industry believe Newhouse may once again begin acquiring newspapers. One potential candidate already rumored is the *St. Louis Post Dispatch* and sources believe Newhouse also may try to buy up the opposition in other cities.

MEDIA PROPERTIES
Newspapers (dailies): ALABAMA—*Birmingham News*, *Huntsville Times*, *Huntsville News*, *Mobile Press*, *Mobile Register*. LOUISIANA—*New Orleans Times-Picaynne*, *New Orleans States-Item*. MASSACHUSETTS—*Springfield Republican*, *Springfield Union News*. MISSISSIPPI—*Pascagoula Mississippi Press*, *Pascagoula Chronicle*. MISSOURI—*St. Louis Globe Democrat*. NEW JERSEY—*Jersey Journal*, Jersey City; *Newark Star Ledger*. NEW YORK—*Staten Island Advance*, *Syracuse Herald Journal*, *Syracuse Post Standard*. OHIO—*Cleveland Plain Dealer*. OREGON—Portland Oregonian, *Oregon Journal*, Portland. PENNSYLVANIA—*Harrisburg Patriot News*. Also publishes Booth Newspapers in Michigan—Ann Arbor News, Bay City Times, Flint Journal, Grand Rapids Press, Jackson Citizen Patriot, Kalamazoo Gazette, Muskegon Chronicle, Saginaw News.
Magazines: Conde Nast Publications: *Vogue; House & Garden; Mademoiselle, Glamour, Bride's*, Conde Nast Publications Ltd.—England. Les Editions Conde Nast SA—France; Edizioni Conde Nast SPA—Italy. Also, *Parade*, the Sunday supplement.
Broadcasting: WAPI (am, fm), Birmingham, Ala.; WSYR (am, fm), Syracuse, N.Y.; WTPA (fm), Harrisburg, Pa.
Cable/video: MetroVision Inc., serving FLORIDA—Lake County; LOUISIANA—La Place; NEBRASKA—Auburn, Crete, David City, Fairbury, Freemont, Humboldt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh, Douglas County, Valley, York; OHIO—Green Township (Hamilton County); ILLINOIS—Blue Island, Bridgeview, Crestwood, Melrose Park, Midlothian, Northlake, Posen, Stickney, Tinley Park, Westhaven, Hickory Hills (90% interest); INDIANA—Portage; KENTUCKY—Newport; TEXAS—Belton, Greenville, Killeen, Temple and Waco; WISCONSIN—Menomonee Falls, Lannon (90% interest); WYOMING—Sheridan. NewChannels Corp. serving ALABAMA—Anniston; NEW YORK—Binghamton, Carthage, Corning, Delhi, Fulton, Rome, Sidney, Syracuse, Troy; PENNSYLVANIA—Canonsburg, Corapolis, Crescent township, Moon township, Neville township. Vision Cable Communications, serving FLORIDA—Clearwater (90% interest); LOUISIANA—Alexandria and Houma; NEW JERSEY—Fort Lee; NORTH CAROLINA—Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport and Wilmington; PENNSYLVANIA—DuBois; SOUTH CAROLINA—Darlington, Florence and Sumter.

News America Publishing

News America Publishing, New York, the U.S. arm of Rupert Murdoch's international publishing empire, is the country's 32nd largest media company, with estimated U.S. revenues of $210,000,000 in the fiscal year ended June 30, all from print media.

The highlight of the company's year was a profit-draining battle by its New York Post for increased circulation and advertising shares of the New York markets.

Company execs decline to say just how heavily the red ink flowed at the *Post* this year, but they do concede that its losses were greater than the profits brought in by other News America properties.

The all-out war for late afternoon domination in New York pitted the *Post* against the *Daily News Tonight*, the newcomer launched last year by an archrival, the Tribune Co.'s *Daily News*.

"The intention of [the *Post's*] new competitor was no less than to break the *Post*," Mr. Murdoch contended in his company's 1981 annual report. In order to stave off any inroads by *Tonight*, Mr. Murdoch cut the price of the *Post* from 30 to 25 cents and launched a morning edition in a frontal assault against the morning *Daily News*. After *Tonight* folded in August, Mr. Murdoch claimed to have won the war.

In the past year, Mr. Murdoch later pointed out, the Post's guaranteed circulation soared to 850,000—double the figure when he acquired the *Post* in 1976. The *Daily News* lost circulation in the same period. The *Post's* average circulation for the six months ended Sept. 30 stood at 764,387. For the *Daily News*, the figure was 1,483,333, and for the *New York*

Understanding a bit before readers do

"It was one magazine I had my own subscription to," Myrna Blyth says of the *Ladies' Home Journal*. "Millions of women love it already—I just want to make them love it more."

Mrs. Blyth, 42, was recruited by Charter Co. last May to revitalize the 98-year-old *Journal*, which, like other traditional women's service magazines, has been experiencing flat circulation and advertising revenues. She became the magazine's editor-in-chief after a six-year stint at another women's magazine, *Family Circle*.

Editorial liveliness, Mrs. Blyth says, comes from understanding readers' life style trends "a little bit before they do." As a working mother of two sons, ages 11 and 14, she feels in a position to do just that.

Charter is giving Mrs. Blyth's efforts strong support, she says. One indication: Starting with the February, 1982 issue, the *Journal* will have 25% more editorial content. The magazine also will sport a new look, designed by new art director, Tamara Schneider, formerly of *Seventeen*. That makes *Ladies' Home Journal* the largest women's magazine with a woman art director and editor, Mrs. Blyth says.

MYRNA BLYTH

For a magazine whose slogan boasts, "Never underestimate the power of a woman," that may make a big difference, Mrs. Blyth suggests.

Times, it was 887,211.)

The company also claims that the *Post's* advertising volume inched up by 4% during the first six months of 1981. Though better department store advertising still eludes the *Post*, execs claim their newspaper has about 16% of the daily advertising market in New York.

Mr. Murdoch predicts that the *Post* soon will overtake the *New York Times* in circulation, then will attempt to forge past the leading *Daily News*. "We will establish a 1,000,000 circulation plateau," Mr. Murdoch said. "At the right time, we will have a Sunday paper."

Despite the *Post's* high profile, News America's most profitable U.S. publication continued to be its weekly tabloid, the *Star*. This past year, with the placement of the *Star* in midwestern Kroger Co. supermarkets, the paper was said by News America sources to have achieved full penetration of major supermarket and convenience store chains.

In the past, the *Star's* advertising has been dominated by mail order houses, but a number of national advertisers have joined recently, including television networks, film studios and cigaret and liquor companies. The *Star*, which has 17 pages of ads available 52 times per year and usually fills them, grossed about $60,000,000 in 1981.

News America trimmed its roster of glossy magazines down to one—*New York*—this past year with the divestiture of *New West*. The magazine reportedly had been losing about $1,500,000 per year, even though its advertising revenues had been expanding.

Currently, the company plans no additional divestitures or acquisitions, according to Martin Singerman, president of the News Group magazines subsidiary.

At *New York*, total ad pages climbed slightly last year to 2,600 pages. Automobile ads fell off, but the major retail, media and corporate advertising categories showed signs of promise and have been targeted for future growth. After suffering through a losing year in fiscal 1980, *New York* reportedly posted record profits in fiscal 1981. *New York* grossed about $28,000,000 to $30,000,000 during 1981.

The Village Voice, the company's liberal weekly, brought in about $14,000,000 during 1981 on approximately 2,700 pages of advertising, including its healthy classified sections. Because of the installment of a computerized system for taking classified ads, the *Voice's* classified section was able to produce about 17.5% more volume this year than last on reduced overhead.

Circulation at the *Voice* stands at around 145,000 and has probably reached its peak, says Mr. Singerman, who also serves as publisher of the *Voice*. The recently introduced *Voice Literary Supplement* brought in 45 pages of advertising during its three-issue trial run, mostly from the publishing industry.

Beginning in February, it will be published 10 times a year in 24-page sections supported by 10 pages of advertising.

During 1981, the company formed News Group Productions, a new division designed to develop television and film properties based on articles culled from company publications. Two projects are in the works, an NBC pilot of dramatizations of actual stories and a sports show based on stories from the *Post*.

MEDIA PROPERTIES:
Newspapers (dailies): *New York Post, San Antonio Express, San Antonio News.*
Newspapers (nondailies): *Star, Village Voice*, Houston Community Newspapers (all in Houston—*Community News, Humble Echo, Sentinel, Suburbia-Reporter, Sun, Sun Woodland.*)
Magazines: *New York.*

Oak Industries

Oak Industries, Rancho Bernardo, Cal., is the country's 78th largest media company with estimated revenues of $76,000,000 from media operations in 1980, or 19.7% of total revenues of $385,586,000. Oak's subscription tv operations (stv), by far the largest in the industry, were the sole source of 1980 media revenue.

A public company based in Rancho Bernardo, Cal., Oak Industries operates stv under the ON TV consumer trade name; stv is over-the-air pay tv delivered via scrambled uhf tv signal.

The company's major business continues to be equipment manufacturer for electronic, cable tv and other industries, but it is diversifying into service, systems and software tv ventures. Equipment sales to the exploding cable tv industry have helped bankroll this diversification.

"The outlook for [stv and cable tv equipment] gives us confidence that earnings per share gains are sustainable at about 30% per year for the period 1982 to 1985," well above U.S. average, said Theodore E. James, an analyst at Montgomery Securities, San Francisco. Oak's operating profits last year rose 51%.

The cornerstone of Oak's stv success has been ON TV in Los Angeles, now with about 325,000 subscribers. It is the world's largest single stv operation, accounting for more than one third of all stv subscribers in 1980. Oak in October bought out managing partner Chartwell Communications Group's 49% interest for $55,000,000.

Other ON TV stv operations that Oak manages (some with partners) are in Phoenix (now 38,000 subscribers), Miami/Fort Lauderdale (40,000 subscribers), Chicago (104,000 subscribers) and Dallas (a few thousand). ON TV's success in Chicago has been spectacular as it turned an operating profit in June, 1981 (with 70,000 subscribers), just eight months after launch.

On the other hand, the newest Dallas operation presents a marketing challenge as ON TV is the third stv service there. Oak is field testing in Dallas its second generation of stv decoders—the Sigma model. Because of ON TV's Los Angeles success, the first generation of Oak stv decoders have been prime targets of so-called "pirates"—those who make and sell unauthorized decoder devices that deprive stv operators of monthly subscription fees of about $20.

Oak's stv advertising philosophy entails a mass market approach with heavy tv spending, consistent with the stv industry.

Aside from ads, special discount promotions reducing installation costs or security-deposit fees "are a real big hook" in signing subscribers, said Scott Rogers, marketing director. Local sports telecasts and "networking some major sports to all our systems" are key elements in the ON TV product mix, he added.

Oak plans to introduce ON TV to Washington, D.C./Baltimore and Houston in 1982. Oak has licensed ON TV in Cincinnati and Philadelphia.

Oak this year diversified into cable tv by acquiring two California cable tv systems with about 30,000 subscribers. The company says it is scouting for more cable properties. Also acquired this year was an 81% interest in VideoNet, a Woodland Hills, Cal. closed-circuit video conference company.

Oak also has set up a subsidiary, Oak Media Development, to establish new business in tv program ventures.

In a major development in its hardware business, Oak in 1981 sold Orion model direct broadcast satellite (dbs) decoders to a Canadian company that is launching a commercial dbs service.

Also, Oak in late 1981 reported that backlogged equipment orders had reached $180,100,000, reflecting continued high demand.

MEDIA OPERATIONS:
ON TV subscription tv (Los Angeles, Phoenix, Chicago, Miami/Fort Lauderdale, Dallas); Cable tv systems in two cities; Oak Media Development.

OTHER OPERATIONS:
Oak Communications (largely stv and cable tv hardware and decoders), Oak Technology.

Oklahoma Publishing Co.

Oklahoma Publishing Co., Oklahoma City, the 41st largest media company, had estimated revenues of $170,000,000 in 1980, generated primarily from revenues from its Oklahoma City newspaper operations and Dallas-based subsidiary, Gaylord Broadcasting Co.

The biggest single property is the company's newspaper division dominated by the Oklahoma City papers, the morning *Daily Oklahoman*, the evening *Oklahoma City Times* and the *Sunday Oklahoman*, with estimated revenues of about $80,000,000.

Circulation and advertising have been strong for the papers, thanks largely to the boom market buttressed by tremendous oil and gas activity, and a general drift by the nation's business into the Sunbelt. Ad linage across the board is up about 6% this year, according to Howard J. Nicks, vp-general manager and treasurer.

- Oklahoma City newspaper circulation trends have followed patterns set in other parts of the country favoring morning papers. "Back in the '30s, the evening paper was around 135,000 to 140,000 and the morning was smaller, but the morning just hit an all-time high of 205,505 while the evening is now about 90,200," Mr. Nicks says. He says the evening paper, however, with circulation pared back primarily to a five-

In Syracuse, we're giving away thousands of free consumers.

It's true. Your ads reach so much extra spending power in Syracuse, it's like reaching thousands of extra consumers free.

For example, Syracuse spends over twice the average amount per person on scotch.* Sixteen percent more than average per person on food.** Our median income is $775 above average.** And the story goes on and on.

What's the best way to reach this profitable audience? Only The Syracuse Newspapers can promise you the kind of coverage you need. The Syracuse TV audience is fragmented by one of the highest cable penetrations of any major market. And we have two new studies that prove it. Just call Dave Kaczorowski at 315-470-2085 for more information about opportunities in the Syracuse Market.

*Source 1981 Liquor Handbook
**Source S & MM Survey of Buying Power

Syracuse. More than you bargain for.

The Syracuse Newspapers

Herald-Journal
Herald American
The Post-Standard

Represented nationally by Newhouse Newspapers

county SMSA around Oklahoma City, has been on a gradual upswing the past five years.

Sunday paper sales, which tend to follow morning circulation patterns statewide added to evening readership in the city, have increased 7,000 in the past year to 315,000. The papers used to have about 60% readership duplication, but that has fallen closer to 25% to 27%, says Mr. Nicks.

Unlike the company's broadcast division, the newspaper division has not been acquisition-minded. Its sole other property, purchased in 1977, is the *Colorado Springs Sun*. The *Sun* has about 23,500 subscribers at the time it was purchased and has been built up to 40,000, "largely because it is in a big growth market as well as tourist center," says Mr. Nicks.

■ The Oklahoma City papers are at the vanguard of newspaper sophistication. The papers went electronic about three years ago, and have just completed putting in an electronic library. Retrieval service will be provided to individual reporter's terminals next spring. New presses and perhaps a new printing plant may be in the offing the next couple of years, Mr. Nicks notes.

Gaylord Broadcasting traces its roots to the purchase of an Oklahoma City radio station in 1928, billed as the first am station west of the Mississippi. "I think it was in some man's garage," says a company officer of the radio property. The company now has the FCC's maximum allowable limit of seven tv stations, as well as three radio units, all in major markets.

Gaylord, named after the founder of Oklahoma Publishing Co., E.K. Gaylord, who directed the company from 1903 until his death (at the age of 101) in the mid-1970s, began to acquire tv properties slowly in the mid-60s, purchasing its last unit in 1977. His son E.L. Gaylord now heads the company. "Our philosophy has been to look for turnaround opportunities instead of trying to buy into highly successful and as a result high priced stations," says Crawford Rice, exec vp at Gaylord.

Mr. Rice says that although the company has reached its FCC set limit of seven tv properties, "we are still in the marketplace if an opportunity presents itself. However, he notes the company is putting much of its thrust these days into software.

Two years ago Gaylord set up a movie production company in Los Angeles called Gaylord Production Co. The newly released movie, "Soggy Bottom U.S.A" is the first big project of that movie house. Complementing that end of the business was the purchased in mid-November of Yongestreet in Los Angeles, producers of "Hee Haw." We bought the company because "Hee Haw" has a long life, and the company already had people in place which would enable us to move more quickly into the tv production field," Mr. Rice says.

"With all this new technology, whether cassettes, pay cabie, signals received directly from satellite, there is a big need for programing. Regardless of the delivery system, the programing need is there."

Gaylord, like many other broadcasting operations across the country is bidding for low-power tv station. The company has 43 applications pending before the FCC.

The tightly held company's only other media property is the *Farmer-Stockman* magazine based in Dallas. *Farmer-Stockman* prints monthly from the Oklahoma City newspaper plant some 65,000 copies for distribution in Oklahoma and 140,000 for Texas. It sold its *Kansas Farmer-Stockman* a year ago.

MEDIA PROPERTIES
Newspapers: *Daily Oklahoman, Oklahoma City Times, Sunday Oklahoman*, all Oklahoma City; *Colorado Springs Sun*.
Magazines: Farmer-Stockman Magazines.
Broadcasting: TELEVISION—Gaylord Broadcasting Co.: WTVT, Tampa; WVUE, New Orleans; WUAB, Lorain, (Cleveland) O.; KTVT, Fort Worth; KHTV, Houston; KSTW Tacoma; WVTV, Milwaukee. RADIO—WKY (am), Oklahoma City; KYTE (am), KLLB (fm), Portland.

Outlet Co.

Outlet Co., Providence, R.I., is the country's 82nd largest media company, with media property revenues of $64,200,000 in the year that ended Jan. 31, or 49% of total revenues of $132,300,000. Tv stations contributed $54,000,000 of the media revenues and radio stations $11,000,000.

The 10 largest privately owned media companies

	Estimated 1980 media revenues
1. S. I. Newhouse & Sons	$ 1.25 billion
2. Hearst Corp.	$ 1.1 billion
3. Tribune Co.	$ 1.05 billion
4. Triangle Publications	$560 million
5. E. W. Scripps Co.	$515.3 million
6. Cox Enterprises	$367.6 million
7. Field Enterprises	$329.9 million
8. Reader's Digest Assn.	$270 million
9. Evening News Assn.	$235.7 million
10. Minneapolis Star & Tribune Co.	$213.7 million

The company projects revenues of $150,000,000 for the year ending next Jan. 31, including media-property revenues of $76,000,000.

Outlet's nonmedia operations consist of 72 women's wear stores.

The publicly owned company is in the process of being acquired by Columbia Pictures Industries in a tax-free stock exchange valued at more than $100,000,000. The acquisition reportedly was spearheaded by Karl Eller, the well known media exec who now is president of Columbia Communications, Phoenix-based subsidiary of Columbia Pictures.

■ The acquisition was agreed to in principle in September and now awaits shareholder, FCC and Security & Exchange Commission approval. "We don't anticipate any surprises," said David Henderson, Outlet corporate vp and vp-broadcasting.

Outlet currently owns five vhf tv stations, five fm stations and two am stations, while Columbia Communications owns three am and two fm stations.

Part of the agreement requires that Outlet sell its retail stores. Commenting on the merger, Mr. Henderson said: "There is clearly a belief that the current administration is in a deregulatory mood. We see restrictions loosening, allowing more licenses per market.

"With greater capital from Columbia we could diversify more readily than on our own."

MEDIA PROPERTIES:
Broadcast: TELEVISION—KOVR—TV, Stockton/Sacramento Cal.; KSAT-TV, San Antonio, Tex.; WCMH-TV, Columbus, O.; WDBO—TV, Orlando Fla.; WJAR-TV, Providence, R.I. RADIO—KIQQ (fm), Los Angeles; WDBO (am, fm), Orlando, Fla.; WIOQ (fm), Philadelphia; WQRS (fm), Detroit; WRLM (fm), Taunton, Mass.; WTOP (am), Washington.

OTHER OPERATIONS:
Retailing.

Park Broadcasting

Park Broadcasting, Ithaca, N.Y., is the country's 81st largest media company, with estimated revenues from media operations of more than $65,000,000 in the year ended June 30, or 81% of total revenues of $80,000,000. The privately held company owns seven television stations, seven am and seven fm radio stations and more than 45 daily, nondaily and shopper newspapers, with a combined circulation of more than 500,000.

Established in 1962, when Roy H. Park, then 52, bought his first broadcast station, WNCT-TV, in Greenville, N.C., the company soon began an intensive acquisition program that continues today.

It purchased its first newspaper in 1972. At that time, Mr. Park said, "My goal now is to establish a good group of newspapers, only I want to do it much faster than the 10 years it took to build my broadcast group."

He apparently has achieved his goal, and this past year added yet another title to the company's growing list: The *Helena* (Ark.) *World*.

While the total circulation of Park's newspaper group is smaller than that of many large city daily newspapers, the company is not looking for a large acquisition.

In 1977, Mr. Park said: "We're trying to buy more newspapers now. And I'm looking in the smaller towns. We know how to operate in small towns. We wouldn't know how to operate in New York City, Buffalo or Oakland, I'm a real country boy. My background is more rural."

While his background may be rural, the company's philosophy is not. In 1977, Park Broadcasting became the first organization to own the maximum amount of broadcast stations (21) permitted by the FCC.

Mr. Park, now 71, parlayed a merchandising background into what is now a multi-million-dollar media company. In 1948, he joined with Duncan Hines, then an author of food and lodging books to form Hines-Park Foods, which licensed manufacturers to produce food products under the Duncan Hines brand.

In 1956, Procter & Gamble Co. acquired Hines-Park in a tax-free merger. The merger, Mr. Park said, provided him with the "initial financial base on which to start building businesses which I would own outright." Mr. Park served as a P&G exec for seven years following the merger, and continued as a consultant until the late 1960s.

■ It was while he was with P&G that he first saw the power and potential of television and decided to get into broadcasting.

Park's main business—broadcasting, newspapers and outdoor advertising—employ 1,710 people, and are held in three corporations, Park Newspapers, Park Broadcasting and RHP Inc., which controls other companies.

MEDIA PROPERTIES:
Newspapers (dailies): ARKANSAS—*Helena World*. FLORIDA—*Brooksville Sun Journal*. GEORGIA—*Warner Robins Daily Sun*. ILLINOIS—*Macomb Daily Journal*. INDIANA—*Plymouth Pilot News*. MICHIGAN—*Coldwater Daily Reporter*. NEBRASKA—*Nebraska City News-Press*. NEW YORK—*Lockport Union Sun & Journal, Norwich Sun, Ogdensburg Journal & Sunday Advance News*. NORTH CAROLINA— *Concord Tribune, Kannapolis Daily Independent, Morganton News-Herald, Newton Observer-News-Enterprise, Statesville Record & Landmark*. OKLAHOMA—*Broken Arrow Ledger, McAlester News-Capital & Democrat, Sapulpa Daily Herald*. VIRGINIA—*Manassas Journal Messenger*.
Newspapers (nondailies): ARKANSAS—*West Helena Twin City Tribune*. GEORGIA—Perry Houston Home Journal. INDIANA—*Bremen Enquirer, Nappanee Advance-News*. NEW YORK—*Canton St. Lawrence Plaindealer, Potsdam Courier-Freeman, Massena Observer*. NORTH CAROLINA—*Maiden Times, Valdese News*. OKLAHOMA—*Bixby Bulletin, Hartshorn Sun, Jenks Journal, Quinton Times*. Also 17 shoppers.
Broadcasting: TELEVISION—WNCT-TV, Greenville, N.C.; WDEF-TV, Chattanooga, Tenn.; WJHL-TV Johnson City, Tenn.; WTVR-TV, Richmond, Va.; WUTR-TV, Utica, N.Y.; WSLS-TV, Roanoke, Va.; WBMG-TV, Birmingham, Ala. RADIO—WNCT (am,fm), Greenville, N.C.; WDEF (am,fm), Chattanooga, Tenn.; WTVR (am,fm), Richmond, Va.; WNAX (am), Yankton, S.D.; KWJJ (am, fm), Portland, Ore.; KRSI (am) and KFMX (fm), Eden Prairie, Minn.; KEZX (fm), Syracuse, N.Y.
Outdoor: Park Outdoor Advertising, Ithaca, N.Y., Scranton, Pa., and Jamestown, N.Y.

Penthouse International

Penthouse International, New York, is the country's 49th largest media company, with 1980 media property revenues estimated at $145,700,000, or 94% of media operations total revenues of $155,000,000.

The privately held company was founded 16 years ago in England by Robert Guccione. As chairman, he remains the driving force behind the company, maintaining control of all facets of the business, though he is primarily "an idea man" for new projects and goals, a Penthouse staff member said. His goal: "To command the largest privately owned company in the world." Toward this end, he has consistently sought to expand the company by using profits from skin magazines, primarily his highly successful *Penthouse*.

Penthouse is responsible for about 80% of company revenues. Sixty-five per cent of total sales is solely derived from the 4,600,000 copies it sells monthly, mostly on U.S. newsstands. Since 95% of its circulation is single-copy sales, the company is less affected by postal-rate increases than other magazine publishers. Rival *Playboy* sells 40% of its 5,300,000 monthly copies by subscription.

While some *Penthouse* projects have been successful, others have cut into profits.

■ *Forum*, started in 1967 to handle the overflow of letters to *Penthouse*, has had some success with a steady circulation of about 650,000. However, *Lords*, a man's fashion quarterly also started in 1967, folded after four issues, with a reported loss of $1,000,000. *Viva*, a sort of monthly *Penthouse* for women, lasted five years until 1978 and lost an estimated $14,000,000. A third magazine, *Photo World*, died within a year (1970), and lost about $1,000,000.

In a complete departure from its previous magazines, *Penthouse* introduced *Omni*, a science magazine, in 1978. Monthly circulation is currently 800,000, and a spinoff television program, "Omni—The New Frontier," made its debut in October, mostly by way of ABC affiliates. The half-hour, staff-produced syndicated science show is supposed to feed the magazine and vice versa.

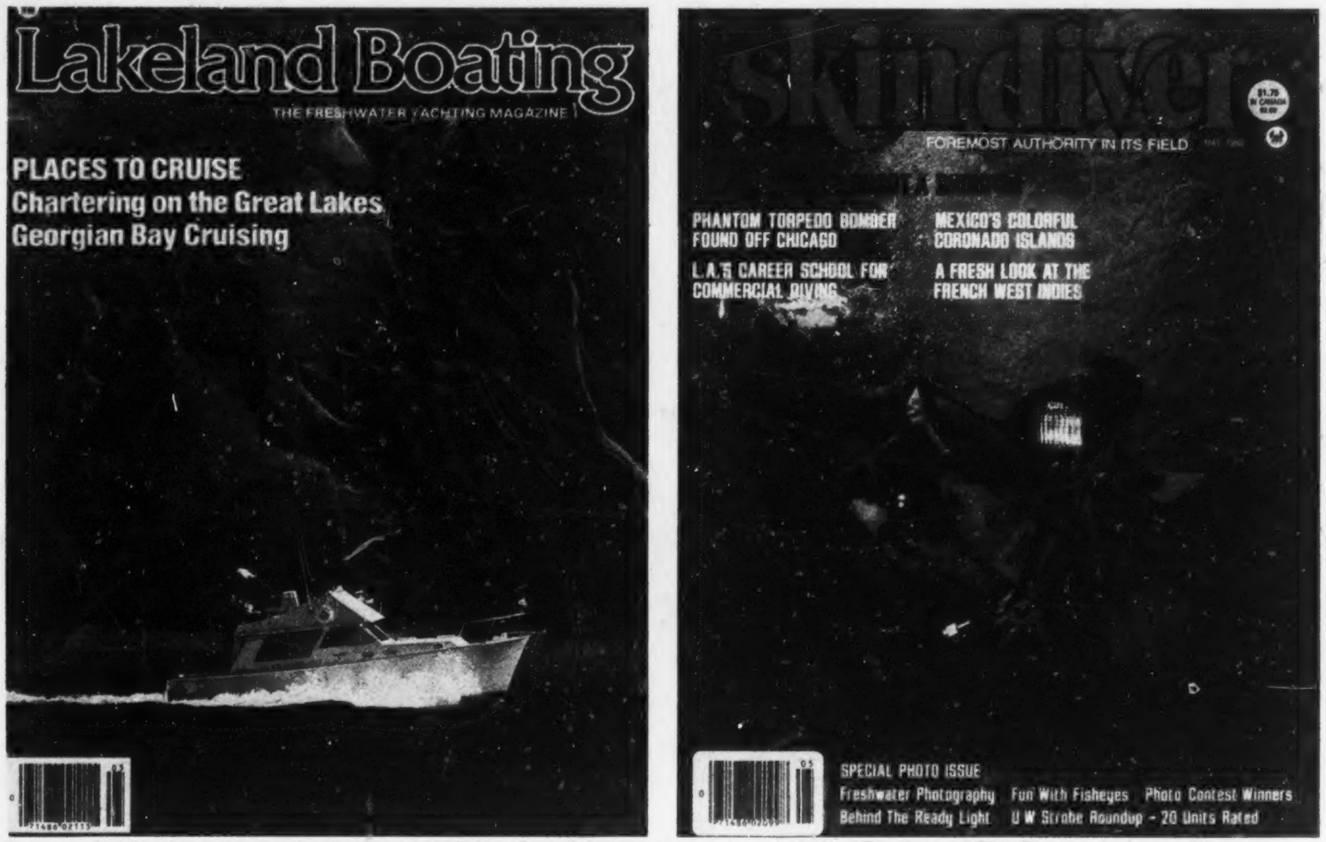
Prior to this year, Penthouse was a family operation. Mr. Guccione's father is still secretary-treasurer. His eldest son, Robert Jr., is the circulation director. His sister is vp and his daughter runs the West Coast advertising/sales office. Other relatives fill various positions within the organization.

The family is still there, but the company is undergoing a transformation. A new president, Mark Meagher, joined the company in April, 1981. Mr. Meagher, 50, former president of the Washington Post Co., came on board "to establish systems that didn't exist before," he said. (Mr. Guccione previously had held the presidency.)

■ For the first time ever, all departments will have budgets in 1982. Mr. Meagher, and new exec vp David Myerson, have established personnel reviews and evaluations for *Penthouse*'s 350 employes in an attempt to rid the company of its "revolving door" reputation. However, some insiders feel Mr. Meagher was brought in to manage the expanded company assets that resulted from a recent buying spree by Mr. Guccione.

Acquisitions in the last few years have included two Atlantic City, N.J., properties expected to be made into casinos in spring, 1983; International Nuclear Systems Organization, a fusion energy company, and film production companies. "We have been diverting huge sums of cash flow without generating the revenue," Mr. Meagher said.

The biggest potential asset is this year's purchase of about 38% in Telemine Co. Earlier this year *Penthouse* signed on to use Telemine's satellite access to produce PET. (Penthouse Entertainment Television). PET is being designed as a


Lakeland Boating
THE FRESHWATER YACHTING MAGAZINE
PLACES TO CRUISE
Chartering on the Great Lakes
Georgian Bay Cruising
skindiver
FOREMOST AUTHORITY IN ITS FIELD
PHANTOM TORPEDO BOMBER FOUND OFF CHICAGO
L.A.'S CAREER SCHOOL FOR COMMERCIAL DIVING
MEXICO'S COLORFUL CORONADO ISLANDS
A FRESH LOOK AT THE FRENCH WEST INDIES
SPECIAL PHOTO ISSUE
Freshwater Photography
Fun With Fisheyes
Photo Contest Winners
Behind The Ready Light
U W Strobe Roundup - 20 Units Rated

Petersen Publications claims to be the largest publisher of special interest magazines. *Lakeland Boating* and *Skin Diver* are just two of them.

12-hour, seven-day-a-week version of *Penthouse.* "Initially," said Mr. Meagher, "revenues will come from subscriber fees. We may offer advertising as cable audiences get larger." PET was supposed to air Oct. 1, but has been delayed.

MEDIA PROPERTIES
Magazines: *Penthouse*; *Forum*; *Omni.*

OTHER OPERATIONS:
Apex Properties, Boardwalk Properties, International Nuclear Systems Organization, "Omni—The New Frontier" syndicated tv show, Penthouse Entertainment Television, Penthouse films, Penthouse International Books, Evelyn Rainbird Ltd. (mail order).

Petersen Publishing Co.

Petersen Publishing Co., Los Angeles, is the country's 75th largest media company, with media property revenues of $79,269,000 in 1980, or 90% of total revenues of $88,075,000. The company's media revenues came largely from special-interest magazines.

Petersen expects total revenues this year of about $93,230,000.

The privately owned company is seriously considering its first expansion into broadcasting and new video technologies.

In 1981, Petersen formed a six-member corporate development committee to guide company expansion in publishing and into video programing.

Included on the committee are Frederick Waingrow, Petersen president, and several Petersen publishers and execs.

▪ Under consideration for 1982 is a new monthly male magazine, either through acquisition or internal development. Mr. Waingrow has indicated the new title probably will involve a subject in which Petersen is already entrenched—outdoor activities or sports, for example.

In addition, Petersen plans to increase the number of one-time issues it publishes. New one-shots would include all areas of current Petersen interest, plus others.

Mr. Waingrow said audio-visual, home entertainment and home computers are possible subjects for single issues in the coming year. Petersen is also reviewing the sports field, particularly baseball, football and hockey, for possible one-time issues.

Mr. Waingrow said Petersen has received numerous inquiries from public and cable television operators concerning the possibility of using Petersen-generated programing. He hinted the company is in serious talks about a possible joint venture.

While in fiscal 1980 Detroit's troubles triggered a sales slump for Petersen's two strongest titles, *Hot Rod* and *Motor Trend,* 1981 has been different.

Mr. Waingrow said advertising sales for Petersen's auto group have increased in 1981, and noted that over-all Petersen expects a 10% increase in revenues in 1982. He described 1981 as the strongest year financially in Petersen's history.

▪ Petersen's top management remained relatively stable this year, with only one key personnel shift. *Motor Trend* publisher Robert E. Brown moved to the new management post of senior vp-corporate development in Petersen's automotive group, based in Detroit. Don Williams, former head of advertising at B.F. Goodrich's tire group, succeeded him as *Motor Trend* publisher.

Despite the uncertain future of the U.S. auto industry, Petersen's automotive group may be in a strong position if Detroit shifts, as some experts expect, from a mass marketing strategy to a more targeted one that would include more aggressive wooing of hard-core auto enthusiasts through special-interest media.

Some industry sources believe, however, that its practice of hiring relatively inexperienced editorial talent at low salaries hinders the over-all quality of Petersen publications and may restrict growth.

MEDIA PROPERTIES
Magazines: *Car Craft, 4-Wheel, Guns & Ammo, Hot Rod, Lakeland Boating, Hunting, Motor Trend, Motorcyclist, Off-Road, Pacific, Photographic, Rudder, Sea, Skipper, Skin Diver, Sports Car Graphic, Teen.* Also, one-shot special-interest publications.

Pittway Corp.

Pittway Corp., a highly diversified Northbrook, Ill. is the 65th largest media company in the U.S., with media property revenues of $112,000,000 in 1980, all of it gained through the Pittway Corp.'s Cleveland-based Penton/IPC subsidiary.

Penton/IPC, with revenues amounting to about 35% of Pittway's total revenues of $311,700,000, publishes 27 trade magazines and also is involved in direct mail marketing, educational consulting and real estate.

Advertising in the magazines accounted for 69% of Penton/IPC revenues last year. Advertising sales increased 10%, contributing to the publishing segment's record profits.

The best performers in ad page gains were *Machine Design, Progressive Architecture, Modern Office Procedures, Materials Handling Engineering, Energy Management, Welding Design & Fabrication, Materials Engineering* and *Used Equipment Directory.*

▪ According to *Folio* magazine, Penton/IPC's largest magazines in revenues are *Machine Design* ($14,435,000 in 1980 revenues), *Industry Week* ($11,536,000), *New Equipment Digest* ($9,047,000) and *Progressive Architecture* ($5,347,000).

The company anticipates a record year in sales and profits in 1981 because of the publishing company's performance and strong growth in Penton/IPC's real estate resort segment.

Chairman Irving Harris said 1981 has been a year of "greater selectivity in choice of media. Our challenge is to continue to improve Penton/IPC publications and services so that when choices are made among competitive magazines serving similar markets, Penton/IPC magazines will be selected to carry advertising programs."

The company has increased its involvement in real estate with the recent opening of Saddlebrook, an

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November/December 1981
THE GREAT ESCAPE
$1.50
GAMES
JUMPING JEHOSHAPHAT!
It's an UNIDENTIFIED FLYING GAMES CONTEST
How many of the 52 games represented here can you name? Winner takes all!
RULES, PAGE 4
SEE THE GAMES IN FOR CLUES

Playboy Enterprises incurred losses from its *Games* magazine.

$80,000,000 condominium resort 14 miles north of Tampa, Fla., late last year.

It also established a corporate classified advertising department that sells classified ads for individual or groups of company publications. Last year, it began publishing an every-other-monthly called *Energy Management*, aimed at industrial-plant energy managers and executives.

MEDIA PROPERTIES:
Magazines: *Air Conditioning & Refrigeration Business, Air Transport World, Chemical Engineering Catalog, Energy Management, Foundry, Government Product News, Handling & Shipping Management, Heating/Piping/Air Conditioning, Hydraulics & Pneumatics, Industry Week, Lodging Hospitality, Machine Design, Management Personal Time, Material Handling Engineering, Materials Engineering, Modern Office Procedures, New Equipment Digest, Occupational Hazards, Power Transmission Design, Precision Metal, Production Engineering, Progressive Architecture, Restaurant Hospitality, School Product News, Used Equipment Directory, Welding Design & Fabrication, Welding Distributor.*
Other: Direct response cards, directories, annuals, special publications.

OTHER OPERATIONS:
C&A Investments, Curtin & Pease (mail marketing), Fluid Power Show, list sales, market research, Mail-Tel Service, Penton/IPC Press (graphic services), Penton Learning Systems, Pittway Real Estate, Power Transmission Show, Rick Reinert Productions (motion pictures and animated films), Saddlebrook Resorts.

Playboy Enterprises

Playboy Enterprises, Chicago, is the nation's 40th largest media company, with media property revenues of $170,000,000 in calendar 1981. That amounted to 47% of total revenues of $363,200,000. Nonmedia revenues came from gaming, clubs and hotels and other businesses. Total profits were $14,341,000 for the year.

Playboy is a company undergoing a major facelift. After a long and expensive battle over licenses for its United Kingdom gaming operations, Playboy sold the casinos and betting shops in early November to Trident Television Ltd. for $31,400,000. The U.K. gaming division provided 85% of the company's operating earnings in fiscal 1981.

The money from the sale, plus an accumulation of more than $40,000,000 in cash and short-term investments, left the company with the option to enter new businesses. Derick J. Daniels, president and chief operating officer, said Playboy would enter "fields that make sense" in the communications and entertainment arena.

■ During the year, Playboy was faced with problems in its other divisions, too. The company's flagship magazine, *Playboy*, showed only modest increases in subscription sales. And its 12% jump in gross ad revenues—to $73,619,000—came largely because of ad rate increases. Circulation from January to June averaged 5,200,000, down 8.8% from 1980. Ad pages fell to 1,199 pages for the first 11 issues of the year, down 2.9% from 1,234 pages last year.

Total earnings from the magazine division fell by more than 50% in fiscal 1981 to $6,017,000, compared with $14,744,000 in 1980. The company attributed the drop to the decline in newsstand sales, an estimated $4,000,000 in losses from Games and a $1,400,00 decline in revenues from *Oui*.

In June 1981, Playboy decided that publishing two competing magazines in the men's category was not "sound policy," according to Nat Lehrman, senior vp-magazine division director. The company sold *Oui* for an undisclosed amount to Goshen Litho, a New York company that publishes *Blueboy* and other magazines. Management said it placed hopes for increased revenue this year for *Games*, "The 4Star," a monthly puzzle newsletter and a syndication package of *Games* puzzles for newspapers.

Another venture, *Playboy Guides*, also is slated for more development. The company set eight publication dates through November, 1982, for the guides, which range in topics from fashion to entertainment to *Wheels*, covering automobiles, motorcycles and other recreational vehicles.

Operating earnings in fiscal 1981 from the television and movie production, and book publishing divisions dropped 67% to $964,000. Cable television programing plans emerged during the year, and the company said the new media would be a significant development area in the years ahead.

In August, Playboy Productions and Rainbow Programing Services, a consortium of cable tv operators, agreed to form a pay cable tv program service called "The Playboy Channel." Hugh M. Hefner, company founder, chairman and chief executive officer, said at Playboy's recent annual meeting that cable would eventually produce profits exceeding the former gaming holdings.

"The Playboy Channel" is described as a "translation" of *Playboy* magazine, including such features as fashion, interviews and "provocative" pictorials. The programing is scheduled to be introduced in early 1982 on the existing Escapade adult pay cable network operated by Rainbow. The name of the network will change to "The Playboy Channel" at a yet to be determined date.

In addition to its London gaming operations, other nonmedia operations proved troublesome in fiscal 1981. The clubs and hotels division reported a loss of $5,153,000 last year, and execs said domestic and overseas franchise development, rather than company-owned clubs, would hold the key to future growth in the division.

Playboy announced in late November it planned to sell its money-losing resort hotels in Lake Geneva, Wis., and Great Gorge, N.J. to a joint venture partnership formed by Eugene Golub, a Chicago real estate investor, and Americana Hotels Corp., also of Chicago.

The company's long-awaited Atlantic City hotel and casino was opened in April, 1981, after several delays and cost overruns. The company said the facility had experienced a "slow start," which it attributed to high startup costs and strong competition from other casinos. Mr. Hefner said the gaming problems in the U.K. were not expected to affect the U.S. hotel and the company's application for a permanent operating license.

MEDIA PROPERTIES:
Magazines: *Playboy, Games, Playboy Guides*

OTHER OPERATIONS:
Book division, cable programing venture with Rainbow Programing Services, gaming operations, hotel operations, licensing, limousine services, modeling agencies, motion picture and television production, Playboy Clubs.

Post Corp.

Post Corp., Appleton, Wis., is the country's 83rd largest media company, with revenues of $63,129,000 from media operations in 1980. Media accounted for the majority of the company's revenues, with an additional $18,000,000 coming from Post's commercial printing operations, giving the company $81,129,000 in revenues.

Revenues for the first three quarters of 1981 were $57,067,000 and the company expects to match or slightly exceed the previous year's revenues. During 1981, newspapers proved to be the strongest performers in Post Corp.'s stable, showing slightly higher profits than in 1980. The broadcast division reported revenues at about the same level as 1980 with higher costs of doing business.

The privately owned company rid itself of a considerable financial burden in early 1981 by killing 10 of 12 suburban Milwaukee weeklies in January. John Rickert, general manager, said the company believed it didn't make sense for the papers to continue because they were competing against strong dailies and weeklies in many of the communities.

In May, the company sold the remaining two papers to Hutchinson Publications of West Allis, Wis. The papers were losing approximately $800,000 a year.

"It has certainly helped the outlook for our newspaper division and it is one of the reasons the third quarter looked very strong for our papers," said Roy Valitchka, the company's marketing director. "They were the only weak performers we had."

Post added five new weeklies to bring its total of Cleveland-area papers to 17. They serve 66 communities in the area. With the exception of the unprofitable Milwaukee chain that was dropped, Post papers worked from a solid financial base in 1981.

In addition to the Cleveland-area publications, Post holds papers in the Boston and St. Louis areas, as well as the company flagship, the *Appleton Post-Crescent*. Ad revenues for the Appleton daily are up this year, said Mr. Valitchka.

Although newspapers form the base of Post Corp.'s operation, the company has continued to expand in broadcasting. Because of the economy and a softness in local spot sales, ad revenues for the five television stations were lower than anticipated.

The only major format changes for any of the tv stations came at WEAU in Eau Claire, Wis. and at KLUK in Green Bay. Both moved from a 30-minute local evening newscast to a one-hour news magazine format that wraps around the national network newscast.

■ The move was seen to give a competitive edge to WLUK, which is in a highly competitive market. In Eau Claire, WEAU competes with one of the largest and most established cable tv-wired areas in the country. Cable in Eau Claire got its start years ago because the terrain doesn't allow traditional antenna reception. The regular tv stations are transmitted via cable.

Post has not yet entered the cable arena, but it is examining the possibility of acquiring a system. It has applied for low-power television licensing from the Federal Communications Commissions, which may be a first step toward becoming involved in cable.

"We want to think carefully about cable and how best we can use our knowledge of the news business," said Mr. Valitchka. "We don't want to be doing rolling video text on a screen. If we get into cable, we want to have something worthwhile to offer."

MEDIA PROPERTIES
Newspapers (dailies): WISCONSIN—Appleton, Neenah, Menasha *Post-Crescent* and Neenah and Menasha *News-Record*; *West Bend News*. MASSACHUSETTS—*Dedham Daily Transcript* and *Weekly Transcript*, *Waltham News-Tribune*. ILLINOIS—*Granite City Press Record*.
Newspapers (nondailies): *OHIO—Bedford Sun-Banner*; *Brunswick Sun Times*; *Chagrin Valley Herald Sun*; *Euclid Sun Journal*; *Garfield-Maple Heights Sun*; *Lakewood Sun Post*; *Medina Sun Sentinel and News Sun*; *Parma Sun Post*; *Solon Herald Sun*; *Strongsville-North Royalton Sun Star*, *Sun Courier*, *Sun Herald*, *Sun Leader Journal*, Sun Messenger, *Sun Press*, *Sun Scoop Journal*, *West Side Sun News*. MASSACHUSETTS—in Boston: *Parkway Transcript*; *West Roxbury Transcript*; *Newton Graphic*.
Broadcasting: TELEVISION—MICHIGAN—WLUC-TV, Mar-

Not just a question of vanity

"I didn't want to be a publisher of anything, but this was the most exciting idea I've heard in years," says Joseph E. Corr Jr. So he chucked his marketing vice presidency at Heublein and on Sept. 1 officially became the leader of the proposed revival of a magazine-industry legend: *Vanity Fair*.

The showcase of literary talent that expired in 1936 is scheduled to reappear in early 1983. Times are ripe for a literary renaissance, Mr. Corr says. He feels a "new elite" of affluent, educated and widely dispersed readers emerged in the 1970s and will support the new *Vanity Fair* as they are such magazines as *Architectural Digest* and *Town & Country*.

The new magazine will feature great writers, Mr. Corr says, just as its venerable namesake did with the likes of Robert Benchley and Dorothy Parker. The new *Vanity Fair* will discover unkown writing talent; it will offer the work of the very best magazine designers, illustrators and cartoonists; it will encompass everything from sports to satire. Mr. Corr anticipates first-issue circulation of 250,000, and an abundance of upscale advertisers offering "super-premium products" such as crystal and luxury cars.

Despite his marketing and promotion background—he was manager of sales and promotion for *Life* from 1968 to 1971 and as president of Time Distribution Services was responsible for introducing *People* to the nation's newsstands—Mr. Corr plans a low-key promotion for *Vanity Fair*, one that he says will rely heavily on word-of-mouth.

JOSEPH CORR

quette; MISSOURI—WTVO-TV, Kirksville; NEW YORK—WOKR-TV, Rochester; WISCONSIN—WEAU-TV, Eau Claire; WLUK-TV, Green Bay. RADIO—WISCONSIN—WAXX (fm), Eau Claire, WAYY (am), Chippewa Falls; IOWA—KBIZ (am), Ottumwa.

Providence Journal Co.

The Providence Journal Co., Providence, R.I., is the nation's 63rd largest media company, with estimated revenues from media operations in 1980 of $117,009,000 or 71% of its estimated total revenues of $162,800,000.

The privately held company publishes three newspapers and is expanding into other media businesses.

Circulation of the dailies—the morning *Providence Journal* and the *Evening Bulletin*—total 219,000. In other words, when considered together, the two papers are second only to the *Boston Globe* in circulation size in the New England daily market. The Sunday *Journal*'s 233,813 circulation places it fourth in the region.

The Sunday publication continues to make circulation gains in what some consider an economically weak part of the country.

The newspapers recently initiated customized research for advertisers, including delivery of preprints into demographically determined specific locales. A number of national advertisers, backed by the papers' research facilities, use the editions for testing newspaper ads.

■ The *Journal* and *Bulletin*, three-time winners of Pulitzer Prizes, employ a large news staff out of its Providence facilities, 12 regional offices and a Washington bureau.

A subsidiary, Providence Journal Broadcasting, operates the all-news WEAN (am) in Providence. The station employs the largest broadcasting news staff of any radio or tv station in southern New England and has a score of news awards to its credit. In addition, the company owns a contemporary music fm station in the Providence area.

The broadcasting unit's lone tv station, the independent WPHL-TV, Philadelphia, has broadcast rights to the Philadelphia Phillies baseball games and also is said to devote considerable time to public affairs programing. The station reportedly operates the largest commercial production facility in the market.

Less than a dozen years ago, the Journal Co. entered the burgeoning cable tv field with the establishment of Colony Communications, which serves more than 120,000 subscribers in systems in New England, Florida and Pennsylvania.

Colony's special services are expanding to include fire and medical alert systems, data and information retrieval, utility and meter reading and energy management. Community affairs efforts have resulted in a recent presentation of a National Cable TV award to Colony's New Bedford, Mass., system for creation of a channel devoted to Portuguese programing.

Colony also operates an over-the-air pay television unit, Multipoint Distribution Service (MDS) in Boston, Springfield and Providence, and transmits Home Box Office programs over the system to more than 15,000 households.

Colony's most recent personnel change in its upper ranks was the hiring of Roger R. Turner from Park Broadcasting to assume the post of vp-director of operations.

Michael P. Metcalf, publisher and chief operating officer of the corporation, says: "The Journal Co. is committed to maintaining and building upon its reputation as the information center and as a major advertising medium for southeastern New England, while simultaneously developing its base in the print and electronic media on a regional and national level."

MEDIA PROPERTIES:
Newspapers: *Providence Journal; Providence Evening Bulletin; Providence Sunday Journal.*
Broadcasting: Tv—WPHL-TV, Philadelphia. Radio—WEAN (am and fm), Providence.
Cable/video: Colony Communications, serving the following: FLORIDA—Hialeah (88.89% interest). MASSACHUSETTS—Fall River (84% interest), Falmouth (90% interest), Lowell, New Bedford (86% interest), Woburn. NEW YORK—Beacon, Hyde Park, Lloyd, Monroe, Poughkeepsie. PENNSYLVANIA—Homestead. VERMONT-Bennington. Multipoint Distribution Service pay tv.

OTHER OPERATIONS:
Providence Gravure.

Pulitzer Publishing Co.

Pulitzer Publishing Co., St. Louis, is the country's 38th largest media company, with estimated 1980 revenues from media properties of $190,500,000. The St. Louis company is privately owned with the majority of stock held by the Pulitzer family.

The *St. Louis Post-Dispatch*, Pulitzer's flagship newspaper and largest revenue producer, has been losing money for more than three years. The company says that should change by 1983.

Pulitzer's other holdings, including the *Arizona Daily Star* in Tucson, a radio station and five vhf tv stations, are said to be in fairly good financial shape.

Although Pulitzer has been the dominant name in St. Louis media for more than 100 years, the company seems determined to lessen its dependence on that old industrial city and to position itself in smaller markets in the middle of the Sunbelt.

Two years ago it traded its local radio station for one in Phoenix. Earlier this year it agreed in principle to swap its St. Louis tv station, KSDK-TV, for two Multimedia Inc. Sunbelt stations and cash.

In the deal—which still must receive FCC approval—Multimedia will give Pulitzer WFBC-TV in Greenville, S.C., WXII in Winston-Salem, N.C., and $8,500,000. All three stations are NBC affiliates.

The cash will give Pulitzer several investment options, including the purchase of a uhf tv station or other newspaper properties. "Magazines, cable, print and broadcast media all would be considered," said Nicholas Penniman, Pulitzer assistant general manager.

Pulitzer is looking for a niche in the cable market as a producer of software and has formed a subsidiary, Pulitzer Productions, to experiment with electronic information dissemination. The company's move into this field is strictly exploratory. "We're cautious," Mr. Penniman said, "because others who have gone into it are not as optimistic as they once were."

In 1979, under the federal Newspaper Preservation Act of 1970, the *Post-Dispatch*, an afternoon paper, and Newhouse Newspapers' morning *Globe-Democrat* merged all operating functions except editorial. The two now split profits and losses equally.

■ Although both dailies are losing money, Pulitzer's newspaper is clearly the dominant entity. The *Post-Dispatch* controls the operating agency and has 1,600 editorial, business and printing employes. It also owns the presses. The *Globe-Democrat* has only 200 employes, all in editorial, operates from rented quarters and is printed on contract by the *Post*.

Local observers speculate that Newhouse eventually will give up on St. Louis and leave Pulitzer with a market monopoly. Another possibility is a Pulitzer takeover of the *Globe-Democrat*.

During labor negotiations last summer, auditors revealed that the joint operating agency had lost more than $11,000,000 during the three-year period ending in 1980. Agency revenues during those years reportedly totaled slightly more than $300,000,000.

■ The losses, along with the sobering effect of the *Washington Star*'s death, persuaded most of the papers' unions to agree to an 18-month moratorium on wage increases. If all accept the wage freeze, it will give the *Post-Dispatch* a chance to get its house in order and take advantage of an expected upturn in the economy, Mr. Penniman said.

He said the *Post-Dispatch* is "leaner" and better managed than it was a few years ago. He pointed to empty offices in the executive suite as evidence of the new austerity. He also noted that the composing room has less than one-third the number of employes it once had.

During 1982, the *Post-Dispatch* plans to initiate a blanket-coverage delivery system designed to put advertisers' supplements at every door in the metropolitan area. The supplements would be delivered with the newspaper to subscribers and alone to nonsubscribers.

The system will offer market segmentation and zoning options to advertisers, Mr. Penniman said.

The company hopes the system will help the dailies compete more effectively with the Suburban Newspapers of Greater St. Louis, a powerful free-weekly publisher that blankets most of the metro area, delivering to 800,000 households and offering retailers a wide range of zoning options. The suburban weeklies have grabbed a big share of the supermarket advertising away from the dailies.

MEDIA PROPERTIES:
Newspapers: *St. Louis Post-Dispatch; Arizona Daily Star.*
Broadcasting: TELEVISION—KSDK-TV, St. Louis; WLNE-TV, Providence, R.I.; KETV, Omaha, Neb.; KOAT-TV, Albuquerque, N.M.; WGAL-TV, Lancaster, Pa. RADIO—KTAR (am), KBBC (fm), Phoenix.
Cable/video: Pulitzer Productions Inc.

RCA Corp.

RCA Corp., New York, the third largest media company, had revenues from total media operations, consisting of National Broadcasting Co.'s tv and radio networks and the owned radio and tv stations divisions, of just over $1.5 billion in 1980, when parent RCA Corp. topped $8 billion in revenues.

NBC was "on its way to a good year" in 1980 until the Carter Administration's boycott of the '80 Moscow Summer Olympics "shattered its earnings prospects," said Edgar Griffiths in his last annual report statement as RCA chairman. The Olympics situation caused a $33,700,000 loss, which with political campaign coverage pushed earnings down 29% as gross NBC sales rose 11% to a record level. Without that writeoff, NBC earnings would have surpassed the 1979 mark, he noted. In 1979, NBC contributed nearly $1.4 billion of RCA's total sales, which were about $7.5 billion.

NBC said the tv network finished the calendar 1980 year with its "best competitive [prime time ratings] position since 1972," thanks largely to the "Shogun" miniseries, the "Centennial" rerun and World Series '80 coverage, plus strong weekly series "Little House on the Prairie," "Real People" and "Diff'rent Strokes." Still, NBC wound up third, well before the full 1980-81 prime time season Nielsen ratings were tabulated.

RCA, in reporting $2 billion in third quarter '81 revenues and $5.9 billion for the year's first nine months, took a $150,000,000 after-taxes writedown, chiefly on NBC-TV programing and Hertz Corp. The write down, according to new RCA chairman (and former ARCO president) Thornton Bradshaw, was a form of "cleaning house," leaving the company with a $109,300,000 loss for the third 1981 quarter and a $9,000,000 nine-month loss. Thanks to this move, RCA expects a "modest" profit when '81 results are compiled.

The considerable NBC write off—estimated by some industry sources at just over $30,000,00—involves a batch of lackluster prime time series, miniseries and pilots. These shows, given virtually no chance of improving on their dismal Nielsens the first time out, are being "eaten" rather than repeated, sources said.

Mr. Bradshaw's selection of successful independent tv producer Grant Tinker (MTM Enterprises) to replace Fred Silverman as NBC chairman was generally welcomed inside and outside NBC as a promising sign.

Robert Mulholland, the NBC-TV Network president whom Mr. Tinker promoted to NBC president, also was widely praised, especially by affiliates.

The over-all picture at NBC heading into autumn '81 was not without several positive develop-

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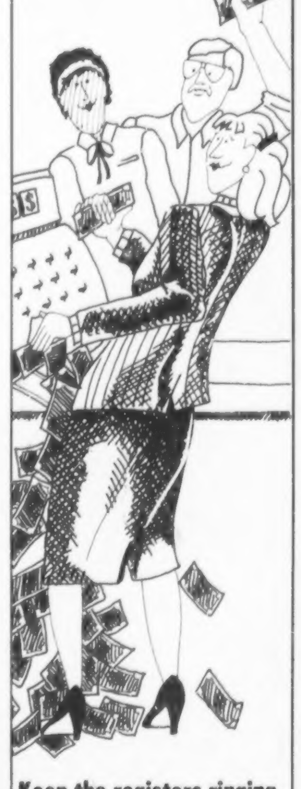

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ments. Mr. Tinker saw the final fall schedule of the Silverman era as a promising one, but emphasized that he himself will not "play an active role in programing" at the network.

NBC Sports, besides boasting strong ratings for the 1980 World Series, the Rose Bowl and Wimbledon tennis, pointed out that its Sunday afternoon pro football ratings in fall '80 were "considerably larger" than in 1979. All told, NBC produced some 430 hours of 1980 sports coverage.

On the affiliate front, NBC-TV had 213 stations contracted at the end of 1980 and has since inched up to 215. In Saturday morning children's ratings, NBC this fall has been making its best showing in years, thanks to entries like "The Smurfs" and "Spider-Man."

Still, NBC is having more than its share of rating woes and sometimes it is hardest hit by circumstances beyond its control. Early in the fall '81 season, NBC continues to lag well behind its rivals in prime time, in part due to production delays created by last summer's writers' strike. NBC has seen such interim series as "The Flintstones," "Here's Boomer" and "Fitz & Bones" bomb in the Nielsens, while creative changes put Angie Dickinson's series out of the running for fall and into the mid-season. In November, NBC got more bad news when Rock Hudson's sudden heart surgery forced his series into hiatus until next year.

For the four weeks ended Nov. 1, NBC averaged a 15.3 rating and 24.1 share. That was 5.1 points behind No. 2 ABC in rating and 8 points behind ABC in audience share.

In news, for the five fall weeks through Oct. 30, NBC had a 12.1 homes rating and 23 share, compared to ABC's 12.3 and 23 score and CBS' 12.7 and 25. The Tom Brokaw/Roger Mudd anchor team takes over the NBC helm in April, when John Chancellor begins work on several prime time documentaries. In daytime, NBC has been a sluggish third, hampered by too many low-rated game shows and strong counter-programing by ABC and CBS. Even in late night ("Tonight") and early morning ("Today"), where NBC long went unchallenged, NBC has had quite a ratings fight on its hands, mainly with ABC.

- Meanwhile, in radio, the NBC Radio Network boasted strong affiliations in such major markets as Philadelphia, Cleveland, Miami and St. Louis for a total of 311 outlets at year's end. Its eight owned am and fm stations attained their "highest audience ratings" in their history, NBC radio execs boasted. In addition, the young adult-appeal Source network has now attracted 163 affiliates. The Source is not only one of several recently started radio networks, but also may be the first of several new satellited NBC networks.

As Mr. Bradshaw said, primarily regarding NBC's status, after he took the RCA position, "Obviously, in the broadcast business or any business, results are what counts. One always asks how long a person gets to win a ball game. Sometimes in broadcasting, judgments are made too soon."

Looking ahead, NBC hopes to hold onto its recently signed $180,000,000 college football tv contract covering 1982 through '85. Completion of that College Football Assn. deal has been tied up in the courts because of opposition from the National Collegiate Athletic Assn. NBC would have 61 of the top 81 college grid teams the CFA lured from the NCAA. NBC also had to spend big—$11,000,000 a year for the three years ending in 1984—because CBS forced the bidding up on the Rose Bowl.

REESE SCHONFELD

This is more fun than the law

Despite reports of monthly losses reaching $1,000,000, the Cable News Network—and the 24-hour news format—are going nowhere but up, says CNN president Reese Wolfe Schonfeld.

"By the second quarter of '82, we'll be showing a profit," says the lawyer-turned-newsman who joined Ted Turner in August, 1979 to head and help form the revolutionary CNN.

"This is natural growth. We started [June 1, 1980] with 1,700,000 [subscriber] homes, we now have nine and a half million homes, and we're growing by 12,000 to 15,000 homes per day," Mr. Schonfeld says.

What's more, CNN will introduce yet another 24-hour news service, CNN II, on Jan. 1. This headline service will cover "all the news in the world" in half-hour cycles, with six minutes per half hour allowed for local news. CNN II has the jump on its main competition, Westinghouse/ABC's Satellite NewsChannel, scheduled for a spring 1982 start, Mr. Schonfeld notes.

Mr. Schonfeld, 50, was a Columbia University law student in 1956 when he opted for parttime work as a UPI Movietone copyboy rather than executive training at CBS Inc.; he says he figured news would be "a hell of a lot more fun." After earning his J.D. in 1960, he foresook the law to write, edit and produce for UPI TV News. In 1975 he founded the Independent Television News Assn., where Ted Turner found him in 1979.

As part of NBC's last major theatrical movie buy, totaling more than $77,000,000 for 15 films, mainly from Paramount Pictures, the network secured the rights in late 1980 to such features as "Urban Cowboy," "Meatballs," "Ordinary People" and "Airplane," stretching across several seasons.

Although NBC comprises RCA's media empire for now, the future may well find at least some of RCA's SelectaVision videocassettes and videodiscs carrying commercials. That, however, will take a while since consumer sales are not mass enough to make such approaches financially viable.

- RCA is getting into the catv field via RCTV's Entertainment Channel, a joint venture with Arthur Taylor and Rockefeller Center. Herb Schlosser, RCA Cable Inc. president and also RCA Corp. exec vp, is handling RCA's involvement in this project, due for an early '82 startup as a pay cable service. RCTV, which is spending $50,000,000 to buy BBC tv programs for the cable service, will sell commercial time, but that is getting a lower priority than originally expected.

Another RCA operation indirectly affecting the media world is RCA Americom, whose Satcom satellites helped spark catv and pay cable's upsurge in recent years, starting with Ted Turner's Atlanta superstation and Time Inc.'s Home Box Office network.

MEDIA PROPERTIES
Broadcasting: TELEVISION—NBC-TV Network. Stations: KNBC-TV, Burbank, Cal.; WMAQ-TV, Chicago; WNBC-TV, New York; WKYC-TV, Cleveland; WRC-TV, Washington.
RADIO—NBC Radio Network; The Source. Stations: KNBR (am) and KYUU (fm), San Francisco; WMAQ (am) and WKQX (fm), Chicago; WNBC (am) and WYNY (fm), New York; WRC (am) and WKYS (fm), Washington.

Reader's Digest Assn.

Reader's Digest Assn., Pleasantville, N.Y., is the country's 25th largest media company, with estimated media property revenues of $270,000,000 in 1980, all from the U.S. edition of the *Reader's Digest*. The U.S. edition of the 60-year-old magazine accounted for about 25% of the company's total estimated revenues of $1.1 billion last year.

The company also generates revenues from foreign editions of the *Digest*, book publishing and mail order sales of records and other products.

While the *Digest* is perhaps unique in having thrived as a general-interest publication, its U.S. circulation has remained flat at about 18,000,000 in recent years, reinforcing the view of some magazine industry analysts that the *Digest* has reached its peak in the U.S. market. The company has been criticized in recent years for failing to use its powerful *Digest* base to market new magazines, but it steadfastly has insisted that as a privately owned company it was not compelled to pursue growth for growth's sake. "Mr. Wallace [DeWitt Wallace, founder of the magazine] always felt that if there was additional talent around it ought to be invested in making the *Digest* even better," Richard McLoughlin, *Digest* publisher, said.

As Mr. Wallace grew less active in the company in the late 1970s and John A. O'Hara, former director of the books and recorded music division, became chief executive in 1978, Digest Assn. followers began to detect a new, if gradually introduced, sense of change at the company.

In early 1979, the company sampled *Digest* readers for their thoughts on eight new magazine concepts. The upshot of that testing was *Families*, the company's first new magazine since the *Digest*. The premier issue appeared last fall with a solid 67 pages of paid advertising, and the magazine began regular monthly publication in October, 1981. It has continued to do well with both readers and advertisers, a Digest official said.

In an interview earlier this year, Edward T. Thompson, *Digest* editor-in-chief and a member of the company's three-man executive committee, said, "I'm sure you won't have to wait 60 years for the next new magazine" from the company. Publisher Mr. McLoughlin later confirmed that the other seven ideas tested in 1979, including such test titles as *Do-It-Yourself Digest*, *Money Digest* and *Sports Digest*, were serious proposals and that one or more of them eventually could become Digest magazines

The company reportedly will consider seriously only magazines with a potential circulation of at least 1,000,000. Its targeted circulation for *Families*, which started with a 500,000 circulation rate base, is 2,000,000, although company officials acknowledge that a circulation of as much as 5,000,000 is possible.

- In another recent diversification, the company in late 1980 acquired 51% of The Source, a computer software company that transmits data by telephone lines to subscribers with home computers. The Digest Assn. presumably will provide information from its vast storehouse—as well as expansion money—to The Source, but no specific plans have been announced.

Mr. Wallace, who with his wife started the *Digest* in a Greenwich Village basement and saw it grow to be the world's largest-circulation magazine, died last March at the age of 91. His widow, Lila, now controls all of the company's voting stock.

MEDIA PROPERTIES
Magazines: *Reader's Digest, Families.*

Rodale Press

Rodale Press, Emmaus, Pa., is the nation's 92nd largest media company, with revenues from media operations in the year ended July, 1981, of about $55,000,000, all from magazines and newsletters stressing health and individual self-sufficiency.

A book publishing division brought total revenues to about $85,000,000 last year. The company says its total revenues will top $98,000,000 in the current fiscal year.

The privately owned company publishes *Organic Gardening*, launched by the company's late founder, J.I.Rodale, in 1942 and still is increasing in circulation, which now stands at 1,300,000. Other Rodale publications include *Prevention*, the largest health magazine in the nation, with a circulation of 2,388,246 (estimated readership of more than 6,000,000); *Bicycling*, which this year increased its circulation 27.5% to 200,000; *New Shelter*, a home improvement publication that has doubled its circulation to 525,000 since its February, 1980, debut, and *New Farm*, which recently changed its editorial direction to appeal to all farmers without compromising the company's commitment to "organic" farming.

In addition, Rodale publishes "Executive Fitness" and "Body Bulletin," newsletters aimed at company execs and their employes. Rodale says the combined circulation for its magazines and newsletters is 5,000,000, up from 4,600,000 a year ago.

- Earlier this year, Rodale's 14-year-old *Theatre Crafts*, the largest paid-circulation publication in its field, was sold to the magazine's editor, Patricia Mackay, and now is published in New York.

Rodale plans an April, 1982, debut for *Spring*, a women's service magazine designed primarily to reach those in the 20-to-40 age group who seek "high energy living." The pilot issue distributed earlier this year was well received, Rodale says.

Spring will start with a circulation base of 250,000. Newsstand sales, introduced in recent years after the company's longtime orientation toward mail order, will be used along with subscription solicitations.

Spring will abide by the Rodale policy that bans ads for liquor, cigarets, "junk foods" and other products that the company considers harmful. Emrika Padus, a *Prevention* editor, is executive editor of the new magazine.

Rodale's book division, under a new president, Richard Huttner, publishes 30 to 35 new titles annually and operates three book clubs. Book topics range from agriculture to fitness. In 1980, Rodale reported sales of 2,400,000 books, representing a 16% increase through the retail trade and a 20% rise in mail orders.

The company's electronic publishing division, has undertaken a new 13-part "Home Dynamics" series, which began airing on cable tv this fall.

Although J.I.Rodale met resistance at first in his bid to make Americans aware of natural type living through organic gardening and health prevention, the company, now headed by son Robert, is finding widespread acceptance of its ideas.

The company is trying to make even more Americans aware of Rodale through such recent actions as sponsorship of the American Lung Assn.'s antismoking campaign; opening of corporate advertising offices in New York, and a series of op-ed page public service ads in the *New York Times*. The *Times* ads were devoted to Rodale's Cornucopia Project, designed to develop strong food systems for this country.

Company officials expect Rodale to keep expanding. "We ended fiscal 1981 with a strong finishing kick, with net sales nearly 25% over last year," says Robert Teufel, president of Rodale Press and publisher of *New Shelter*. "We are entering new markets, expanding our newsstand base and gaining broader public awareness. With the continued vitality of *New Shelter* and with *Spring* waiting in the wings, next year promises to be even better."

MEDIA PROPERTIES:
Magazines: *Bicycling; New Farm; New Shelter; Organic Gardening; Prevention; Spring.*
Newsletters: "Body Bulletin"; "Executive Fitness."

Rollins Inc.

Rollins Inc., Atlanta, is the nation's 94th largest media company, with revenues of $54,700,000 in 1980 from media-related operations. The bulk of the company's total revenues of $400,100,000 for the year came from its termite and pest control and oil and gas services businesses.

For 1981, media operations are expected to reach $62,100,000 by the end of the year, giving this segment 13.7% of total projected company revenues of $454,600,000.

Although dominated by its termite business ($194,600,000 in revenues in 1981 vs. $182,600,000 in 1980) and oil and gas service ($147,100,000 vs. $95,700,000 in 1980), Rollins began as a media company when founder O. Wayne Rollins, now chairman, opened up his first radio station in Radford, Va. Rollins eventually sold that property, but over the years has added three television stations, five am and one fm radio stations, an outdoor advertising business and cable operations in two states.

The media division is concentrating most of its efforts in cable expansion in the Northeast. Rollins is building systems in southeast Massachusetts and contiguous areas of Rhode Island, where it has won 16 franchises. The company has an additional 11 applications for franchises in Massachusetts.

■ Under the division name of Rollins CableVue, the company already operates systems in and around Bradford, Conn., and Wilmington, Del. Despite the heavy activity in catv, cable trails outdoor advertising and tv operations as the media group's breadwinners. Radio holds down the fourth and final slot. Revenues from radio, in fact, have been relatively flat the past few years, while outdoor, tv and cable have shown good increases, says a corporate official.

Rollins Outdoor Advertising has plants in Philadelphia, Washington, the Delmarva Peninsula (Delaware-Maryland), Wilmington, Del., and San Antonio, Corpus Christi, Victoria, Austin and Laredo, all in Texas.

Rollins, which went public in 1960, still has 40% of its stock in the hands of the Rollins family. The family has strongly influenced the company's meticulous approach to acquisitions by emphasizing potential rather than its performance.

For example, in its three tv markets—Charleston, W.Va.; Pensacola, Fla., and Plattsburgh, N.Y.—the company turned the single-market stations into dual market ones by merely moving the transmitter after making the purchases.

Says one corporate official, "Our philosophy with radio properties is to meet the single greatest unmet need in the community," which has translated into programing formats for the agricultural community, format for the black community, college community and, in the Chicago area, jazz buffs.

MEDIA PROPERTIES:
Broadcasting: Television—WCHS-TV, Charleston, W.Va.; WEAR-TV, Mobile, Ala./Pensacola Fla.; WPTZ-TV, Plattsburgh, N.Y. Radio—KDAY (am), Santa Monica/Los Angeles; WCHS (am), WBES (fm), Charleston, W.Va.; WBEE (am), Harvey/Chicago, Ill.; WRAP (am), Norfolk/Portsmouth, Va.; WAMS (am), Wilmington, Del.
Cable/video: Rollins CableVue in CONNECTICUT—(80% interest) Branford, Guilford, Madison, New Haven, North Branford, North Haven, Wallingford. DELAWARE—(100% interest) Elsmere, Newark, Newcastle, Newcastle County, Newport, Wilmington.

Schurz Communications

Schurz Communications, South Bend, Ind., is the nation's 95th largest media company, with revenues of $52,000,000 in 1980, all from media operations.

"The current year has been sluggish so we'll either be flat or down slightly. We would hope general business conditions improve and that we would grow with the economy," says chairman Franklin D. Schurz Jr.

The Schurz daily newspaper flagship is the *South Bend Tribune*; it also owns radio and television stations and cable tv operations. The Augusta, Ga., station, WAFT-TV, a uhf operation, is moving from the outskirts to the downtown area. Cable systems in Hagerstown, Md., and Coral Springs, Fla., will be revamped from 12-channel capacity to a larger number of channels.

"We're certainly taking a look at information systems [in tandem with newspapers] and we're talking with several cable operators," Mr. Schurz says.

"Our biggest problem has been the sluggish economy, which has caused some advertisers to leave the market," he adds. "We've had slight increases in newspaper circulation." Mr. Schurz says the company has no plans to enter the non-media business.

MEDIA PROPERTIES
Newspapers: CALIFORNIA—*Brawley News*; *Imperial Valley Press*, El Centro. INDIANA—*Bedford Times-Mail, Bloomington Herald-Telephone, Bloomington Herald Times, South Bend Tribune*. KENTUCKY—*Danville Advocate-Messenger*. MARYLAND—*Hagerstown Herald, Hagerstown Mail*.
Broadcasting: TELEVISION—WAFT-TV, Augusta, Ga.; WSBT-TV, South Bend, Ind.; WDBJ-TV, Roanoke, Va. RADIO—WSBT(am), WTHO (fm), South Bend, Ind.
Cable/video: Antietam Cable TV—Hagerstown, Md.; Cable TV of Coral Springs—Coral Springs, Fla.

How a cable ties together disparate set of interests

KAY KOPLOVITZ

As an undergraduate at the University of Wisconsin in Madison, Kay Koplovitz had some seemingly disparate interests.

She studied cross-cultural communications—the ways that people from different cultures communicate verbally and nonverbally. She also majored in science, because she was fascinated with technology.

It was while she was working at a local educational tv station to help pay her way through school, she says, that "a lot of things came together." She discovered broadcasting.

She soon caught the attention of the Wisconsin Broadcasters Assn. and won its "Up-and-Coming Broadcaster of the Year" award. That led in turn to an internship at WTMJ-TV in Milwaukee. Then she went to graduate school at Michigan State University, where she continued to bridge disciplines with intellectual connections: Her master's thesis was on "the political ramifications of international satellite communications."

She has spent much of her career since then proving the accuracy of that early broadcasting award, and winning accolades like "the most powerful woman in cable." Today, at 36, she is president and chief exec of USA Network, the fast-growing advertising-supported cable tv network that is expected to gross $12,000,000 or more from advertising this year. USA Network is 50% owned by Time Inc., which recently acquired its interest from UA-Columbia Cablevision; the other half is owned by the Paramount Pictures Corp. subsidiary of Gulf & Western.

USA Network now reaches 9,000,000 homes, Mrs. Koplovitz says. She predicts rapid expansion to penetrate the present 13,000,000 cable-wired homes not on the network. Furthermore, she says, the company's goal is making USA Network, "the most-viewed network in the U.S." by the end of the decade.

■ Mrs. Koplovitz joined UA-Columbia in 1973, where she became a vp in charge of programing for Madison Square Gardens Sports, the predecessor of USA Network. In 1978, she moved the programing beyond sports by introducing Calliope, a children's program. By April 1980 she had the top job at USA Network.

Last May, USA Network began offering "You!" magazine, the first cable programing aimed at women. That was soon followed by "Better Homes & Gardens' Idea Notebook" and "Alive & Well," two more programs tailored for the female audience.

"Sports is still our front card," says Mrs. Koplovitz, noting that USA Network has most major sports leagues under contract and carries top-rated professional and amateur sporting events from around the world to all 50 states. In October, USA Network began offering the Scholastic Sports Academy, aimed at teens and pre-teens and hosted by Hubie Brown, former coach of the Atlanta Hawks professional basketball team. All the commercial time for the show has been bought for the forseeable future by Kellogg Co.

Mrs. Koplovitz comes by her interest in sports naturally, having speed skated competitively as a kid in her home state of Wisconsin. She continues to enjoy tennis, skiing and hiking. She's also interested in the environment; she's no crusader, she says, but she does want to see wilderness areas preserved. "Once it's gone, it's gone," she says.

■ Mrs. Koplovitz also seems to have a natural affinity for reaching the 15 to 34-year-old audience that standard broadcasting finds so "elusive." One of her most intriguing innovations was Nightflight, a late-evening package of cult films, rock music and entertainment news. "Nightflight," which premiered in June, is making "remarkable strides," she claims. One viewer, a 30-year-old tv sportscaster from Green Bay, Wis., wrote Mrs. Koplovitz that he wasn't "a crazy teen ager" who doesn't know what he wants, but that he always hurries home from his station to catch "Nightlife.

"Nightflight," a joint venture with ATI Video of New York, will offer its audience a special treat come New Year's Eve—a Rolling Stones feature that Mrs. Koplovitz calls "USA's answer to Guy Lombardo."

Still ahead for USA Network, which went to 24-hour programing in October: A new information and entertainment program for women (perhaps to meet the new competition from the planned "Daytime" program of Hearst/ABC Video), set to begin in March or April. It will feature "lots of personalities," Mrs. Koplovitz says.

E.W. Scripps Co.

E.W. Scripps Co., Cincinnati, is the 15th largest U.S. media company, with estimated revenues of $515,300,000 in 1980, all from media operations.

The privately held company is owned largely by the Scripps Family Trust. The company has some 40 subsidiaries, including Scripps-Howard newspapers, of which the *Pittsburgh Press* is the largest, but the *Rocky Mountain News* in booming Denver is the fastest growing.

In addition to daily newspapers, the company has among its holdings community weekly newspapers, area business publications, United Press International (UPI) wire service and United Media Enterprises feature services.

The company owns about 75% of the stock of Scripps-Howard Broadcasting Co., Cleveland. Stock of Scripps-Howard Broadcasting is traded publicly and the company is treated as a separate entity in ADVERTISING AGE's listing.

Edward W. Estlow, president and chief exec of E.W. Scripps, said the company intends to look for continued opportunities in print and electronics. "Our goal is to add publications according to high reader interest and opportunity, including dailies, weeklies and special interest publications." He noted that the company's broadcast and cable tv holdings also have been expanding.

Scripps-Howard jumped into area business publishing in February, 1980, with the acquisitions of Cordovan Corp., Houston, which had four regional business weeklies—a field it's credited with starting—and four monthly magazines at the time of acquisition. In the midst of an expansion when acquired, Cordovan now has 10 business weeklies, including *Dallas-Fort Worth Business*, acquired in 1980, and *Pittsburgh Business Journal*, acquired last August.

■ The 10 Cordovan business weeklies have a total circulation of approximately 100,000. Bob Gray, vp and general manager, said that "over a period of time" he sees the company adding more business papers either by startup or acquisition. In 1981, discussions aimed at acquiring *Washington Business Review* were discontinued.

As losses by United Press International reportedly mounted to over $7,000,000 in 1980, E. W. Scripps let it be known that it wanted to modify the ownership of the nation's second largest press service. Reuters News Service is known to have shown some interest, but Mr. Estlow said "discussions are continuing with several organizations." UPI, which dates back to 1907 when E.W.Scripps founded United Press, has been 95%-owned by Scripps Co. and 5% owned by the Hearst Corp. since 1958, when Hearst's International News Service merged with UP. UPI's losses have continued this year. *Editor & Publisher*, citing industry sources, reported UPI is expected to lose $8,000,000 this year, on revenue's projected to around $90,000,000.

Despite its losses, UPI has expanded, opening a $10,000,000 computer and technical center in Dallas last year to serve as the center for all UPI communications and to provide research, development and manufacturing for specialized equipment, including Unifax II, a high quality picture receiver that led to a new UPI service providing weather satellite photos.

■ UPI also opened new $3,000,000 headquarters in New York this year equipped with newly developed computerized, digital photo editing and transmission equipment.

With UPI's news, audio and stocks services now on satellite, about 600 users have contracted for receiving dishes. About 100 are already in place and the goal is to have most operating by 1983.

UPI this year joined a teletext experiment with KNXT and KCET, Los Angeles, and it has been experimenting with supplying information for computer-accessed data bank ventures by Mead Corp. and Reader's Digest Assn.'s The Source, among others.

The Scripps-Howard lineup of daily newspapers was reduced by one, to a total of 16, with the sale in

1980 of the ailing *Cleveland Press* to industrialist Joseph Cole for a price believed to be in excess of $10,000,000. Of the remaining dailies, five are morning papers with a combined average daily circulation of 722,449; eleven of the 16 properties, six have Sunday papers with a combined average circulation of 1,559,272.

In Denver last year the *Rocky Mountain News*, for the first time in modern history, moved ahead of the *Denver Post* in weekday circulation figures and a longstanding rivalry heated up when the *Post* was acquired by Times Mirror Co. This year, the *Post* launched a daily early morning newsstand edition in September.

In the first year under Times Mirror ownership, the *Post* circulation went from 260,000 to 276,000 daily, and from 351,149 to 357,157 Sundays.

During the same period, however, Scripps-Howard's *News* boosted circulation from 271,153 to 288,410 daily, and from 293,004 to 306,627 Sundays. In one of the more unusual results of the intense competition, Times-Mirror hired private detectives to investigate circulation practices of the *News*.

The Scripps lineup of weekly newspapers grew to 27 with a combined circulation of 382,159 in October of this year with the addition of the *Brea Advocate, La Habra Advocate, Placentia Journal, Yorba Linda Journal* and *Anaheim Hills Journal*, all in Orange County, Cal. The five new weeklies have a combined circulation of 70,517. E.W. Scripps also publishes weeklies in Florida and Kentucky.

MEDIA PROPERTIES:
Newspapers (dailies): ALABAMA—*Birmingham Post Herald*. CALIFORNIA—*Fullerton Daily News Tribune*. COLORADO—*Rocky Mountain News*, Denver. FLORIDA—*Hollywood Sun Tattler, Stuart News*. INDIANA—*Evansville Press*. KENTUCKY—*Columbus Post, Citizen-Journal*. PENNSYLVANIA—*Pittsburgh Press*. PUERTO RICO—*San Juan Star*. TENNESSEE—*Knoxville News Sentinel, Memphis Press—Scimitar, Memphis Commercial Appeal*.
Newspapers (nondailies): CALIFORNIA—Southern California Publishing Co. Los Angeles, southern group—*Commerce Tribune, East Los Angeles Gazette, East Los Angeles Tribune, Montebello News, Pico Rivera News, Santa Fe Springs News*, and *West Whittier Independent*, most of these bilingual (English and Spanish); *Brea Advocate; La Habra Advocate; Placentia Journal; Yorba Linda Journal; Anaheim Hills Journal*. Northern group (Monterey Park)—*Alhambra Post Advocate, Fullerton Forum, Monterey Park Progress, San Gabriel Progress, South San Gabriel Rosemead Progress*. FLORIDA—*Jupiter Courier Highlights*. KENTUCKY—*Campbell County News*, Alexandria; *Grant County News*, Williamston; *Kentucky Standard*, Bardstown. Also, Scripps-Howard Press: St. Matthews, including the *Highland Herald, Jeffersonian, Reporter, Voice, Southwest News, Mirror*, all serving the greater Louisville area.
Area business publications: Cordovan Corp., Houston—*Atlanta Business Chronicle, Dallas-Fort Worth Business, Houston Business Journal, Los Angeles Business Journal, Miami Business Journal, San Diego Business Journal, San Francisco Business Journal*, and *Seattle Business Journal*.
Magazines: *Horseman, Jet Cargo News, Texas Fisherman, Western Outfitter*.

OTHER OPERATIONS:
United Press International wire and broadcast services. UPI is a partner with Independent Television News, London, in UPITN, worldwide tv film service and also is a partner with Knight-Ridder's Commodity News Service in UNICOM, international financial and commodities news wire available in Europe, Asia and Latin America. Also, United Media Enterprises, parent company of United Features Syndicate and Newspaper Enterprise Assn. news features syndicates. Subsidiaries of United Features include TV Data Inc. and TV Watch. Tele-log is a division of NEA. Berkley-Small Inc., Mobile, Ala., circulation supply company. SCW, Berkley, advertising art and feature service. Scripps-Howard Supply, purchasing company.

Scripps-Howard Broadcasting Co.

Scripps-Howard Broadcasting Co., Cleveland, is the nation's 76th largest media company, with revenues of $76,991,679 in 1980, up 10% from 1979. Net income was $16,460,580 in 1980, up 3%.

Television broadcasting services contributed 93% of the publicly owned company's total revenues in 1980, down from 95% in 1979. Due to the company's growth in other areas, the percentage will continue to drop in 1981, although television will remain the undisputed leading contributor to company sales.

For the nine months ending Sept. 30, company revenues were $61,739,000, up from $54,495,000 for the same period in 1980. Net income for the first nine months was $12,448,000, up from $11,301,000 for the same period in 1980.

The company attributed its "modest increase" in operating revenues in 1980 to "the uncertain economic conditions which existed throughout the year." An increase of only 7% in 1979 was attributed to "a softness in national spot revenue throughout the Midwest."

The broadcasting company, which began in 1935 with a Cincinnati radio station (no longer part of it operations), became a public company in 1963 and today remains the only public subsidiary of E.W. Scripps Co. (See separate AA listing.) Scripps-Howard Broadcasting Co. is 75% owned by E.W. Scripps Co.In December, the company will dedicate a 44,000-sq.ft. office and studio facility for KBMA-TV, Kansas City, Mo. Construction of the multi-million-dollar building began in 1980.

During 1980 Scripps-Howard Broadcasting spent $7,605,000 to acquire radio stations WBSB (fm), Baltimore, a contemporary music station, and KMEO (am,fm), Phoenix, which uses a "beautiful music" format. This year the company acquired KUPL (am,fm), Portland, Ore., from Tracy Broadcasting Co. for $4,750,000.

With the latest additions, the company has six tv stations, four am and four fm stations. The Federal Communications Commission allows a company to hold seven of each.

Is Scripps-Howard looking for more? "Yes," said Donald L. Perris, president. "We plan to fill out our television [allotment] and we will have some more radio. I don't know if we'll ever actually get up to 14, but we will definitely have a few more fm stations in the near future.

"We are also concentrating now on our cable operation. When it all gets built, our interest in various systems will bring us up to about 80,000 subscribers, and we hope to go on past that," Mr. Perris said.

As part of its rapid expansion in cable, the company established a subsidiary, Scripps-Howard Cable Services Inc., Wellesley, Mass., early this year.

Cable systems developer Richard W. Loftus, formerly president and owner of AM-Video Corp., Boston, was named president of Scripps-Howard Cable Services. Mr. Loftus sold his company to Prime Cable, another multiple cable-system operator.

The company took its first step into cable in April, 1980, when it became a partner with Daniels & Associates, Denver, in a cable system serving Ann Arbor, Mich. Since then the company has acquired a system serving De Bary, Fla., and has joined in a franchise with Mickleson Media for a system currently under construction in Tulare County, Cal. The company, in participation with the *Chicago Tribune* and Continental Cabelvision, has been awarded a franchise for a system to serve Springfield, Mass. In November, the company acquired a group of systems serving seven communities in Lake County, Fla.

In July, Cablevision of Connecticut, a partnership in which Scripps-Howard Broadcasting is a participant, was awarded the franchise for southern Fairfield County, Conn., an area that includes 10 lucrative New York City "bedroom communicommunities," such as Norwalk, Westport and Stamford. Four competing applicants for the franchise have gone to court to appeal the award by Connecticut's Division of Public Utility Control. If the award is allowed to stand, Charles Dolan, the head of Cablevision, will serve as managing partner. Scripps-Howard will run only the news operations within the system..

In addition to its regular broadcast and cable interests, Scripps-Howard Broadcasting is an investor in Cylix Communications Network, Memphis, a national high-speed data transmission company utilized by business.

In a Scripps-Howard Broadcasting staff shift this year William F. Brooks, formerly assistant general manager, became general manager of WPTV, West Palm Beach, Fla., the company's fastest growing tv station. He succeeded Robert R. Regabuto, who became general manager of the company's WCPO in Cincinnati. Robert D. Gordon, who had headed WCPO, left the company to become president of Western Broadcasting Co.

MEDIA PROPERTIES:
Broadcasting: TELEVISION—WPTV-TV, West Palm Beach; KBMA-TV, Kansas City, Mo.; WCPO-TV, Cincinnati; WEWS, Cleveland; KJRH-TV, Tulsa; WMC-TV, Memphis. RADIO—KMEO (am,fm), Phoenix; WBSB (fm), Baltimore; WNOX (am), Knoxville, Tenn.; WMC (am,fm), KUPL (am,fm), Portland, Ore.
Cable/video: Scripps-Howard Cablevision Corp., a limited partner in Ann Arbor Cablevision, serving Ann Arbor, Mich. Scripps-Howard Cable Services Co., with T and W Cable Co. serving De Bary, Fla., and the Lake County, Fla., franchise serving Leesburg, Fla.

Seattle Times Co.

The Seattle Times Co., which owns the daily *Seattle Times*, and *Walla Walla* (Wash.) *Union-Bulletin*, is the country's 70th largest media company, with revenues last year of about $93,500,000, all in media.Its revenues have more than doubled in the last five years.

Partly because of the costs of starting a morning edition last year, the company's 1980 earnings fell 17% to $2,900,000 from the record $3,500,000 earned in 1979.

The company is controlled by Seattle's Blethen family, which owns 51.5% of the voting stock. Knight-Ridder Newspapers holds 49.5% of the voting stock and 65% of the nonvoting stock.

The *Times* has dramatically outdistanced its daily competitor, Hearst Corp.'s *Post-Intelligencer*, in revenue, profit, advertising and circulation. An afternoon paper that became an all-day publication in February, 1980, the *Times* agreed to a joint operating agreement with the rival *P-I* last January under the 1970 Newspaper Preservation Act.

Under the agreement, which still requires U.S. Department of Justice approval, the two newspapers would pool their business production and distribution operations but keep their news operations separate. The *Times* would receive 6% of the joint operation's profits as a management fee; of the remaining profits, the *Times* would get 66% and the *P-I* 34%.

The *P-I*, which has incurred yearly losses since 1969, stands to make as much as $1,800,000 in 1982 under the joint operating agreement. The paper's projected loss this year is $2,259,100. The *Times* expects its highest profits ever under the agreement, which would permit dropping the morning edition launched last year to compete with the *P-I*.

The *Times* says it expects to hire "a significant number of noneditorial *P-I* employes, but a net reduction of newspaper employes in Seattle is inevitable if the agreement is adopted."

Opposition to the merger has been strongest from local retailers and other advertisers who fear that a joint operation would result in a single advertising rate covering the placing of an ad in both papers. Advertisers say such a situation would make it economically unattractive to place an ad in just one newspaper. All rates will be set by the *Times*.

David Brewster, publisher of a Seattle weekly and head of POINT (People Opposed To a 1-Newspaper Town), contends that a merger "would cost jobs, cause advertising rates to skyrocket, strangle other editorial voices, and impoverish the journalistic and intellectual life of the region. . . ."

The merger remains in abeyance, pending Justice Department action.

MEDIA OPERATIONS:
Newspapers: *Seattle Times; Walla Walla* (Wash.) *Union-Bulletin*.

Southern Progress Corp.

Southern Progress Corp., Birmingham, Ala., is the country's 87th largest media company, with estimated 1980 media property revenues of more than $61,000,000.

Formerly the Progressive Farmer Co., the privately owned company enjoyed its 16th consecutive year of increased sales and profits in 1980. "All of our divisions are now profitable, and we intend to double in revenues within the next five years," said Emory O. Cunningham, president.

Primarily a publisher of magazines directed toward audiences in southern states (principally the Carolinas, Virginia, Texas Oklahoma, Kentucky and Tennessee), Southern Progress publishes three regional magazines: *Progressive Farmer, Southern Living* and *Delta Report*. It also has one regional trade publication, *Southern Supermarketing*, and one national magazine, *Decorating and Craft Ideas* acquired in 1975 from the Tandy Corp.

Oxmoor House, the book publishing division of the company, published 13 titles of general interest to southern readers in 1980.

Southern Progress recently diversified into a variety of areas related to its publishing endeavors: Agresponse, a direct-mail agricultural marketing company; Akra Data, a computer center for magazines and books; Publishers Services division, providing computer typesetting for the company's various publications; Progressive Farmer Insurance, and Sunland Plans, a fund-raising program for schools and clubs.

The company's only broadcasting venture is the Progressive Farmer Radio Network, based in Starkville, Miss., and serving approximately 50 stations throughout the South. The corporation does occasional tv broadcasting of its "Southern Living Cooking School" classes but has not divulged plans for any further involvement in broadcasting.

MEDIA PROPERTIES:
Magazines: *Progressive Farmer; Southern Living; Delta Report; Southern Supermarketing; Decorating and Craft Ideas*.
Broadcasting: Progressive Farmer Radio Network.

OTHER OPERATIONS:
Agresponse; Akra Data; Publishers Service division; Progressive Farmer Insurance; Sunland Plans; Oxmoor House book publishing.

Stauffer Communications

Stauffer Communications, Topeka, Kan., is the country's 90th largest media company, with media property revenues of $55,600,000 in 1980, or 92% of total revenues of $60,400,000.

Newspapers generated 76% of media revenues and 70% of total revenues. Net profits last year were $3,800,000.

Stanley H. Stauffer, president of the publicly held company, said Stauffer's 1981 objectives "are to increase revenues by 15% and net income by 17%. The strategy to reach these figures is to increase revenues and profitability of our existing units by expanding products and services, and then fill revenue and profit gaps by making at least one media acquisition."

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Stauffer has two media acquisitions pending but has not disclosed whether these will be in publishing or broadcasting.

- The company publishes the *Topeka Capital-Journal*, an all-day paper formed in 1980 out of the morning *Capital* and the afternoon *State Journal*. The paper has a Sunday edition, as well.

Stauffer also publishes 18 other newspapers in Arkansas, Kansas, Michigan, Missouri, Colorado, Nebraska and South Dakota. Its *Capper's Weekly* is the third largest newspaper in circulation in the six-state midwest region consisting of Iowa, Kansas, Missouri, Nebraska, Colorado and Oklahoma.

Other principal newspaper holdings are the *Grand Island* (Neb.) *Independent*, the *Holland* (Mich.) *Sentinel*, and the *Shawnee* (Okla.) *News-Star*.

Stauffer operates two television stations in Topeka and Santa Maria-Santa Barbara, Cal., and nine radio stations—six am and three fm—in Phoenix, Des Moines, Amarillo, Topeka, Shawnee and Springfield, Mo. The company also controls 50% of Total Television, a cable station in Amarillo.

MEDIA PROPERTIES:
Newspapers: COLORADO—*Glenwood Springs Post*. KANSAS—*Arkansas City Traveler, Newton Kansan, Pittsburg Morning Sun, Topeka Capital-Journal*. MICHIGAN—*Hillsdale Daily News, Holland Sentinel* MISSOURI—*Blue Springs Examiner, Hannibal Courier Post, Independence Examiner, Marshall Democrat News, Maryville Forum, Nevada Daily Mail* NEBRASKA—*Beatrice Sun, Grand Island Independent, York Daily News-Times*. OKLAHOMA—*Shawnee News-Star*. SOUTH DAKOTA—*Brookings Register, Yankton Daily Press & Dakotan*. Also *Capper's Weekly*, distributed in six-state Midwest region.
Broadcast: TELEVISION—KCOY-TV, Santa Maria/Santa Barbara, Cal.; WIBW-TV, Topeka. RADIO—KARZ (am), Phoenix; KRNT (am), KRNQ (fm) Des Moines, Ia.; WIBW-AM-FM, Topeka; KGBX (am), Springfield, Mo.; KGFF (am) Shawnee, Okla.; KGNC-AM—FM, Amarillo; Kansas City Royals Baseball Radio Network.
Cable/video: Total Television of Amarillo (50% interest), serving Amarillo, Tex.

OTHER OPERATIONS:
Capper's Insurance Service, computer software.

Storer Broadcasting Co.

Storer Broadcasting Co., Miami Beach, Fla., is the 36th largest U.S. media company, with revenues of $197,068,000 in 1980, all from media operations.

Some good news in the p.m.

BY B.G. YOVOVICH

Everyone has heard the "bad news" part of the afternoon newspaper story: The demise of such major metro dailies as the *Washington Star* and the *Chicago Daily News*, and the problems facing p.m. papers in such cities as Los Angeles, Philadelphia and Boston.

The "good news" about afternoon papers has received much less attention, but there is some. For example:

- In Houston, the *Chronicle*, an afternoon paper that has shifted to "all-day" publication, has been improving its competitive standing *vis-a-vis* its a.m. competition. Today, the *Chronicle* leads the morning *Post* in circulation and far outstrips it in advertising linage market share, 58% to 42%.
- In Seattle, it is not the p.m. paper but the morning *Post-Intelligencer* that is in trouble. Trailing in circulation and losing ad linage market share, the *Post-Intelligencer* reportedly has lost more than $14,000,000 since its last profitable year in 1968, compared with the consistent profitability of the *Times*, the *Post-Intelligencer's* formerly p.m. and now all-day competition.
- In Baltimore, the two afternoon dailies continue to account for a total of nearly two-thirds of the daily circulation.
- In Dallas, Denver and Detroit, afternoon papers continue to prove formidable foes to their a.m. rivals.

How have such p.m. papers managed to buck the trend and remain competitive and even prosperous? To answer that, it's helpful to look at the problems facing the afternoon paper generally. Probably the most significant problem for p.m. dailies in major metro markets has been the post-World War II movement of middle-class families from the central city to outlying suburbs, a migration that hurt p.m. papers more than their a.m. counterparts.

"Morning papers have all night to distribute their papers, so traditionally they have circulated over a wider geographical area," explains Leo Bogart, exec vp of the Newspaper Advertising Bureau and author of "Press and Public," a recently published study of the newspaper industry. "Morning papers' circulation traditionally has covered more of an ADI (Area of Dominant Influence)-type area, and, as department stores [and retail chains] have moved into suburban areas, they have been more interested in ADI-type distribution.

"Also, the change in the composition of the central cities, with a higher proportion of blacks and Hispanics with lower incomes and lesser reading skills," made the inner city areas "less attractive for advertisers, Mr. Bogart adds."

Those p.m. papers that tried to widen their distribution and follow their readers to the suburbs, however, ran afoul of another change in American society: Growing reliance on the automobile.

"The number of autos in the U.S. has increased almost two and a half times as fast as the nation's population," points out Mr. Bogart, and the p.m. papers' delivery trucks found themselves ensnarled in increasingly congested afternoon rush-hour traffic.

Afternoon papers also weren't helped by changes in the patterns of news coverage, as television evening news rose in importance.

"Think of the way the world works now," says Lee Guittar, publisher of the afternoon *Denver Post*. For example, "the President rarely gives a news conference in the morning any more, and most sporting events are played at night now," making coverage of such events more difficult for p.m. papers.

A change in advertising media strategies also has contributed to the demise of some major p.m. papers. Rather than split their advertising evenly among the metro dailies, advertisers have increasingly run ads in only one metro daily paper and put the rest of their newspaper budgets into suburban papers that have sprung up in outlying areas. This approach has been extremely detrimental to papers that trailed significantly in circulation and ad linage market share, and, once a paper got too far behind in market share, a "tipping" phenomenon occurred that helped the stronger metro daily move to a position of overwhelming dominance in the market.

- Generally, it has been p.m. papers like the *Washington Star* and the *Chicago Daily News* that have had smaller circulations and that have suffered from "tipping", but a few morning papers have been victims as well.

Media experts point to Seattle as a classic example of a market in which the traditionally dominant evening paper has succeeded in tipping its morning competion into financial trouble. As a result, the morning *Post-Intelligencer* has petitioned the Justice Department for permission to go into joint operation with the now all-day *Times*.

One final factor has pushed readers to a.m. papers: The shift in the U.S. labor force from blue-collar to white-collar jobs.

"Blue-collar workers and those that are employed in light manufacturing industries tend to start work earlier in the morning and to get home by three or four in the afternoon," says Mr. Guittar of the Denver Post. He says this makes them more likely to read a p.m. rather than an a.m. publication. In fact, publishers and media observers point to heavy concentrations of early-rising work forces as significant factors in the continued vitality of p.m. papers in such cities as Dallas, Buffalo, Baltimore and Detroit.

Blue-collar workers are not enough to keep a paper afloat, however, particularly given the continuing shift to white collar jobs in the U.S. The most common step taken by p.m. papers is to begin distribution of a.m. editions in an effort to attract executives and office workers in the morning. Morning editions also make it possible to reach outlying parts of the metro area that are virtually impossible to supply with afternoon editions.

The *Detroit News*, for example, began by moving its printing operations out of the city in 1973 to avoid strangulation by rush-(our traffic, and it installed an all-electronic newsroom to facilitate communications between its downtown newsroom and the outlying plant. The *News* has since begun an a.m. edition that is distributed outside Detroit proper, and just recently opened a new printing facility in Lansing. Linked by microwave transmitters to the Detroit-area facilities, the new plant is expected to further enhance the *News'* potential for" out-state," or non-Detroit, circulation growth of its a.m. edition.

- "We couldn't have done it without the technological capabilities," says *News* editor William Giles. The *News* is the nation's largest circulating evening paper and enjoys a better than 60% to 40% lead in ad linage market share over the competing morning paper, the Free Press.

The p.m. papers in Denver, Dallas and Houston also have begun a.m. editions for distribution outside central city areas, but the rapid growth those cities have enjoyed has given the strategy a slightly different emphasis from the one in Detroit.

"We call it our 'Immigrant Marketing Plan'," says *Dallas Times-Herald* publisher Thomas R. McCartin. Since 1977, the previously p.m. paper gradually has been converting its suburban delivery from afternoon to morning editions, beginning the process in Dallas' fastest-growing, most predominantly white-collar suburbs.

"There are lots of people moving into areas like Dallas and Denver, and most of them are managerial, white-collar workers who are already established morning-paper people," explains Mr. Guittar. The *Times-Herald* strategy calls for its a.m. edition to capture these new readers rather than lose them to the competing morning *Dallas News*.

The Denver Post, a Times-Mirror Co. paper, as is the *Times-Herald*, is employing the same strategy with the morning *News*.

As part of this evolutionary process, the *Times-Herald* now offers home delivery of either a.m. or p.m. editions in all parts of the metro area, and it's likely that the *Denver Post* will follow suit in its market.

In Houston, the *Chronicle* began an a.m. edition two years ago that circulates outside the city and also began using outlying facilities to help its p.m. edition as well. For example, features and classified sections for the p.m. editions now are shipped to the outlying distribution centers along with the early morning papers and are inserted in the late-breaking news sections of the evening editions.

- "This makes it possible for us to delay our p.m. deadline [on breaking news]," says *Chronicle* publisher Richard J.V. Johnson, "and helps us put out a better product."

The most innovative afternoon newspaper strategies may turn out to be those currently under consideration at the *Baltimore Evening Sun*, sister paper to the morning *Sun*.

"We put together a team of people from all parts of the paper—advertising, circulation, editorial, research and production—on one committee and have had them take a look at those geographical areas that offer us the best prospects for success," says John "Reg" Murphy, publisher of both the *Sun* and the *Evening Sun*.

"The density of circulation is important, and we've identified specific Zip code clusters where we are going to concentrate our heaviest circulation efforts. We believe our best prospects lie in building dense circulation."

"The newspapers that have been most successful over the last 30 years are those that can deliver high-density audiences to local advertisers, dense audiences that television hasn't been able to deliver" agrees Stanford University economist and newspaper follower James Rosse. "The p.m. papers that are in the best shape are those with solid, dense local distribution. That's what they can sell to advertisers and what is best protected from other media."#

B.G. Yovovich contributes frequently to Section 2 on the media.

FINAL EDITION

The Washington Star

128 Years of Service Ending

Publication Of the Star Ceases Today

Controllers Fired; Flights Still Limited

60 Approached Time Inc. About Purchase of Star

No Offers Sufficient To Take Over Paper

Telephones Jammed By Wellwishers' Calls

Reagan, Sadat End Mideast Talks Without Agreeing on PLO's Role

...but not for all.

Trying to prove the experts wrong

BY CHARLES P. WINGIS

With the publishing landscape already littered with the remains of evening newspapers across the U.S., the *Los Angeles Herald Examiner* has been regarded as a sure bet to become another statistic in the escalating mortality rate. It was just a matter of time, the pundits said.

But the *Herald* may yet prove the "experts" wrong. Having weathered more than a decade of crippling labor disputes, declining circulation (down to 281,000 daily from its 1967 peak of 750,000, when it was the biggest p.m. paper in the country) and plummeting advertising revenues, the *Herald* appears to have stabilized and to be on the upswing. "After losing 30,000 copies [circulation] every year for the past 10 years we've finally stopped the hemorrhage," says Frank Dale, the paper's publisher.

It still may be too soon to call the *Herald Examiner* a clear survivor, but its willingness to try new approaches coupled with the bullish backing of its parent, Hearst Corp. may be giving it a better shot than some other p.m. papers have had.

Here, at any rate, is how one evening newspaper is attempting to defy the odds. To start with, in the process of trying to survive the *Herald* gradually has become something quite other than a "traditional p.m. newspaper." In fact, about 65% of its 180,000 copies daily circulation is now delivered in the morning, and the remaining 100,000 in the afternoon and evening, making the *Herald* a true "all-day" newspaper.

And if current testing of morning delivery to outlying suburbs continues to show positive results, there is the distinct possibility that, within the next several years, the *Herald* may become Los Angeles' second morning newspaper.

Mr. Dale sees this as being "perhaps years away." But if it does come to pass, the market's second newspaper will be thrust into and even more heated battle with its old rival, the *Los Angelese Times*.

Mr. Dale, who has been called a "worried man keeping up an enthusiastic front," admits the *Herald* is "not burning up the streets" of Los Angeles. But compared to other second newspapers across the country, he says, "we're doing much better and continuing to upgrade. Current daily circulation is down less than 4,000, or 3%, from a year ago, and Sunday circulation is up slightly, to 307, 124 from 306,179.

■ Despite the brighter outlook, a recent article in *Los Angeles* magazine cited an estimate by *Times* publisher Otis Chandler that the *Herald's* current losses might be as high as $1,000,000 per month. Mr. Dale disputes this figure calling it "a lie and a big one at that." He adds, "It may be that he [Mr. Chandler] is not aware of how efficently a newspaper can be run. Why, the *Times* has more people in their editorial room that we have in our entire plant.

Privately held Hearst does not release financial figures, but the *Herald*, Mr. Dale says, "showed gains on the bottom line in 1979 and 1980 was even better." He concedes, however, that with the exception of a strong first quarter, "1981 has been a very difficult year for us," as it has been for many newspapers.

But in the area of classified ads, the *Herald* has bucked the national trend and posted some significant, although relatively small, gains in linage. It was "by luck, more than skill," says Mr. Dale. "It just so happened that about the time classified sales began to fall off drastically, the *Herald* was able to get under way a classified promotion that had been in the works for some time."

■ Launched in the second quarter, the promotion helped sustain classified sales through July, during one period producing an average of 460 "family" or "personal" type ads per week. As a result, classified linage at the *Herald* for the first nine months of 1981 enjoyed an increase of 4.6% over last year, with a 10.4% gain in classified revenues.

"That," said Mr. Dale, "helped to increase our relative share of field, which is still very small compared to them [the *Times*], but when you come up with any kind of increase it's worth talking about. Not such a big deal," he added, "except it's one of those little signs that we must be doing something right."

FRANK DALE

"After losing 30,000 copies of circulation every year for the past 10 years, we've finally stopped the hemorrhage."

National advertising for the first three quarters was also up, totaling 2,890,236 lines through September, up from 2,846,326 lines a year earlier. Retail linage through the first three quarters was down slightly—5,662,990 lines from 5,743,714 a year ago. But David Feldman, sales director, says, "We expect to wipe out that 80,000 line deficit and wind up ahead for the year without any problem."

Although total linage remains lower than it was prior to the disastrous Newspaper Guild strike of the late 1960s, it is still up about 50% over 1977 figures.

A more aggressive editorial stance has been no small factor in the *Herald*'s stabilization process, local newspaper followers believe. A revitalized and award-winning editorial staff, put together by former editor James G. Bellows, has scored some significant news beats over the *Times* during the past few years, attracting increased public attention to the *Herald*.

Effective Dec. 1, Mr. Bellows resigned to take over as managing editor of "Entertainment Tonight," a television show featuring news in the entertainment field.

His successor is Mary Anne Dolan, 34, who had been managing editor at the Herald for the past two years. She had previously been assistant managing editor of the *Washington Star*, where she worked for nine years, the last three under Mr. Bellows.

The appointment of Ms. Dolan, believed to be the first woman named as top editor of a major metropolitan daily, had been established well in advance of Mr. Bellows' resignation, Mr. Dale says. "Jim Bellows did what every good manager is supposed to do; he prepared his own successor," the publisher says. She'll give the *Herald* the same kind of sparkle he did and in a short time she'll put her own stamp on the paper.

While the editorial salaries at the *Herald* remain far lower than those paid to *Times* staffers, Mr. Dale points out that a labor contract negotiated with the union about 18 months ago was designed to bring *Herald* employes "up to par with their counterparts in this industry in this market" by the time the contract expires in March, 1983.

For the first time, the contract permits the *Herald* to give merit pay increases to individual employes. Under the previous contract everyone had to get the same raise. "That," says Mr. Dale, "is typical of most union contracts, making you move along at the pace of the least productive employes, rather than the most productive. Now we're at the point where we can compensate the workers who are really carrying the load."

In September, for the first time since Mr. Dale arrived at the *Herald* in 1977, the paper launched a major ad campaign to build circulation. Mr. Dale had all but suspended advertising "until we had a product we could promote."

Theme of the campaign, "Love Us or Hate Us, L.A.'s Mad about Us," positions the *Herald* as a feisty, irreverent paper that may offend or please on a given day but is still read. The $500,000, 10-week campaign effort features 60-second radio spots heard an average of 26 times daily on as many as 15 stations during commuter drive time.

■ In yet another effort to boost its city circulation, the *Herald* in January will begin a six-month test of newspaper sales on certain buses of the Los Angeles Rapid Transit District (RTD). If results are promising, as is expected, newspaper racks will be installed on buses throughout the RTD system. Also participating in the RTD test is the *Daily News*, of Van Nuys.

Hearst and the *Herald*'s boldest move to date, however, was the parent company acquisition last August of 28 weekly and two daily newspapers from four suburban Los Angeles newspaper groups. Mr. Dale had pushed for the action, which is designed to meet advertiser demands for greater penetration of the market. The aim is to link the suburban papers with the *Herald Examiner* to form an advertising network with a special rate structure permitting advertisers to select as much coverage as they choose.

The newspapers have a total controlled circulation of about 425,000, mostly in southeast Los Angeles, a blue-collar and minority area largely ignored by the *Times*, and in the San Fernando Valley. Nearly all the weeklies are published on either Wednesdays or Thursdays, bringing Hearst's circulation on those days to more than 700,000, a substantial portion of which is morning delivery. This total, Mr. Dale says, is larger than the circulation of the Times in Los Angeles County. The *Times* total daily circulation averaged 1,011,798 for the six months ended Sept. 30.

■ Details of the new advertising package (dubbed "Great Day L.A.") were unveiled to the newspapers' combined sales staffs for the first time on Nov. 10, so it will be some time before its impact can be measured. The new rate card provides a variety of "rate breaks" for advertisers using different combinations of newspapers from eight separate groups. Advertisers will be offered "spot" buys in any publication, "group" buys for two to five groups, or "network" buys, which are defined as any two groups, plus the *Herald Examiner*.

There will also be a retail network buy and a national network buy. No matter what the combination, advertisers will place only one order and receive only one bill. In all there are 273 different combinations to chose from.

If the plan works as expected, Mr. Dales ses a "cross-fertilization" of advertising from one publication to another, with all of them the ultimate beneficiaries.

The move has been called an "expensive gamble" by some observers. Mr. Dale calls it a serious effort to deepen penetration of "the most horizontal [geographically dispersed] large market" in the country. "Penetration here is a problem for everyone, including the *Times*," he says. He estimates the *Times*' share of the potential audience in Los Angeles and Orange counties at less than 27%. The *Herald's* is only 7.5%, he days.

■ "The *Times* may have ignored the minorities" Mr. Dale says, "but they sure haven't ignored the penetration problem." He points to the *Times*' $215,000,000 capital spending program to upgrade its Orange County facilities and for a new press in the San Fernando Valley.

"They're [the*Times*] making a substantial vertical effort to increase their penetration into those key areas," Mr. Dale says. "The *Herald* is also aiming for greater penetration into those same areas, we're just doing it in a different and, I think, very adequate way."#

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Of that total, broadcast stations accounted for $128,744,000, or 65%, and cable communications systems accounted for $68,324,000 or 35%.

According to Standard & Poor's Corp., broadcast stations accounted for 92% of last year's profits, and cable systems 8%.

Storer has been involved in cable tv since 1963, and since 1978 has sold its six radio stations and borrowed money under a $200,000,000 revolving credit agreement in order to continue expansion into cable.

■ The company currently has a contract to sell its last radio station, WLAK (fm), Chicago, for $8,000,000 to Viacom, New York, subject to FCC approval. Storer reportedly has no plans to reenter radio in the future.

This year, the company purchased Coastal Cable. Groton, Conn.; Connecticut River Cable Co., Clinton, Conn., and Monmouth Cable of New Jersey. As of Sept. 30, Storer was providing service to 750,000 cable subscribers in 20 states.

Storer's original goal of 950,000 basic subscribers by the end of this year has been reduced to 900,000, which the company still expects to accomplish. "If we miss it, it won't be by much," said Kenneth Mosher, vp, treasurer and chief financial policy officer. Mr. Mosher said the company will achieve 950,000 subscribers not long after the close of the first quarter of next year.

■ Storer has obtained additional financing for its expansion into cable by selling 2,000,000 shares of common stock in April, 1980, and $100,000,000 worth of 8½% debentures in November, 1980. It sold another 1,900,000 shares of stock in July.

Previously, the company's last major period of transition was from 1948 to 1950, when it began pursuing an interest in tv after 21 years in radio.

Today, the company still owns seven tv stations. located mainly in industrial cities.

■ But Storer's major movement unquestionably has been into cable. Although its basic subscriber count stands at 750,000, there are 3,000,000 homes in Storer's wired areas, providing a substantial reserve of unsold households.

The company is ranked sixth among cable operators, but may rank as high as fourth in potential subscribers.

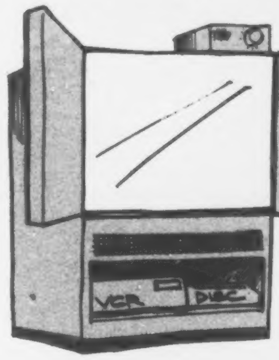
MEDIA PROPERTIES:

Broadcasting: WJBK-TV, Detroit; WJKW-TV, Cleveland, WTVG, Toledo, O.; WITI-TV, Milwaukee; WSBK-TV, Boston; KCST-TV, San Diego; WAGA-TV, Atlanta.

Cable/video: Storer Cable TV Inc. in ALABAMA—Clanton, Montgomery (80% interest), Prattsville, Sulacauga. ARIZONA—Dobson Ranch, Mesa (both 90% interest). CALIFORNIA—Banning, Fairfield, Ferndale, Fillmore, Fortuna, Frazier Park, Hermosa Beach, Humboldt County, Laguna Beach, Ojai, Rancho Camarillo, Rio Dell, Rohnert Park, St. Helena, San Juan Capistrano, Santa Paula, Sebastopol, Sonoma, Thousand Oaks, West Village. CONNECTICUT—New Haven. DELAWARE—Dover, Georgetown, Milford, Rehoboth, Seaford. FLORIDA—Arcadia, Barton, Englewood, Frostproof, Lake Placid, Lake Wales, Lehigh Acres, Manatee county, Miramar, Pembroke Pines, Sarasota, Venice, Wauchula, Williston. GEORGIA—Albany, Americus, Ashburn, Bainbridge, Camila, Clanton Cordele, Sawson, Donalsonville, Moultrie, Nashville, Sylvester, Tifton. ILLINOIS—Wenona. MARYLAND—Howard

County, Pocomoke City, Salisbury. MINNESOTA—Bloomington, Fridley, St. Cloud. NEW JERSEY—Burlington, East Brunswick, Eatontown, Plainfield, Washington, Woodbury. SOUTH CAROLINA—Charleston (80% interest). TEXAS—Garland. Also owns franchises for Ladera, Cal.; Altamonte Springs, Fla. (80%); Bowling Green and Warren County, Ky.; College Park, Md.; Highstown, N.J.; Radnor, Pa.; Bedford, Cedar Hill, Cleburne, Grand Prairie, Houston, Lancaster, Richland Hills, Weatherford, all in Texas.

But everyone in Palm Springs has cable, dahling . . .



Markets with highest percentage of tv homes on cable tv July 1981:

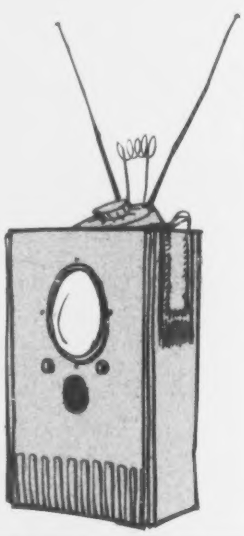
1.	Palm Springs, Cal.	100%
2.	Parkersburg, W. Va.	72%
3.	Victoria, Tex.	70%
4.	Santa Barbara-Santa Maria-St. Luis Obispo, Cal.	67%
5.	Elmira, N.Y.	66%
6.	Lima, O.	66%
7.	Roswell, N.M.	66%
8.	Casper-Riverton, Wyo.	64%
9.	Lafayette, Ind.	64%
10.	Dubuque, Ia.	63%
	Johnstown-Altoona, Pa.	63%
	Laredo, Tex.	63%

And the great unwired . . .

Markets with lowest percentage of tv homes on cable tv:

1.	Las Vegas	1%
2.	Chicago	4%
3.	Detroit	4%
4.	Anchorage	5%
5.	Baltimore	5%
6.	Bowling Green, Ky.	5%
7.	Minneapolis-St. Paul	6%
8.	Milwaukee	7%
9.	Phoenix	7%
10.	St. Louis	7%

Source: Arbitron



Taft Broadcasting Co.

Taft Broadcasting Co. is the nation's 64th largest media company, with media-property revenues of $112,190,000 for the year ended March 31. Broadcasting accounted for all of the media revenues, or 47% of the company's total revenues of $239,925,000. Taft's entertainment group, which produces and distributes video programing, contributed revenues of $82,132,000, or 34% of total revenues. Net profits last year were $24,250,000.

The publicly held, Cincinnati-based company has set its sights on cable tv. This year it formed two partnerships with Tele-Communications Inc., Denver. One is TCI-Taft Cablevision Associates, which will acquire and operate cable systems. The other, TCI Programs, will develop programing in 1982 for both basic and pay cable stations.

In April, TCI-Taft Cablevision filed an application for Miami's cable tv franchise. In addition, Taft launched "Entertainment Tonight," a daily program carried live via satellite, covering entertainment news. The show is carried on Taft's seven stations and sold to broadcasters in 85 other markets.

Taft has installed satellite-to-earth stations in all of the tv stations, and its stations broadcast heavy amounts of sports programing. This was the first year that WDAF-TV, Kansas City, aired Kansas City Royals baseball, while WGR-TV, Buffalo, continues broadcasts of Buffalo Sabres hockey, Baltimore Orioles baseball and Washington Bullets and Capitols basketball.

The entertainment division, which includes such units as Hanna-Barbera Productions and QM Productions, continues to focus on the production and distribution of animated features and live-action tv programs. QM also is developing comedy series pilots, tv movies and pay-tv specials.

Inroads were also made this year within the theme park arena, with the opening of the company's Canada's Wonderland. This brings the company's total number of such amusement centers to four. The company recently sold its Marineland near Los Angeles.

Taft believes it has an "excellent mix of businesses for the 1980s," Charles S. Mechem Jr., chairman, told shareholders this year. He called fiscal 1981 "a year of significant accomplishment," despite a 24% decline in earnings caused by the weak economy, the actors' strike and entertainment development costs.

MEDIA PROPERTIES:
Broadcasting: TELEVISION—WBRC-TV, Birmingham; WGR-TV, Buffalo; WKRC-TV, Cincinnati; WTVN-TV, Columbus, O.; WDAF-TV, Kansas City; WTAF-TV, Philadelphia; WDCA-TV, Washington. RADIO—WGR (am), WGRQ (fm), Buffalo; WKRC (am), WKRQ (fm), Cincinnati; WTVN (am), WLQV (fm), Columbus; WDAF (am), KYYS (fm), Kansas City; KQV (am), WDVE (fm), Pittsburgh; WDAE (am), WYNF (fm), Tampa-St. Petersburg.

OTHER OPERATIONS:
Taft Entertainment, including four amusement parks.

Tele-Communications

Tele-Communications, Denver, Colo., is the nation's 66th largest media company, with media property revenues in 1980 of $111,900,000, all from cable tv. Microwave operations added $12,510,000 to bring total revenues to $124,400,000. Net income for fiscal year 1980 was $8,253,000. Revenues have more than doubled over the past three years, with revenues in 1980 up 35% over 1979 figures.

Acquisitions by the company are made swiftly and quietly. "We do about two acquisitions a month," says company president John C. Malone. With this strategy, it claims the rank of the third largest cable tv company, and according to Mr. Malone, it has "realistically set its sights on the No. 2 position."

In 1980, the number of catv subscribers jumped by 235,000 and pay tv subscribers by 150,000, the biggest increase in the history of the company. By the end of the year, the final count of subscribers reached 1,100,000 for basic cable and 469,000 pay tv, scattered throughout some 40 states.

Last year's growth was gained by three methods: Acquisition, addition of new services to already existing operations, and acquisitions of systems from third parties.

Last year's growth included the addition of 34 catv systems, at the cost of some $34,000,000. In addition, two large projects were completed during the year. One, a communications system, was constructed for the U.S. Coast Guard and the second was a major route expansion of existing facilities that added a 7,200 channel capability to Omaha-Salt Lake City route for data and voice transmission.

Recent developments include the January, 1981 partnership with Taft Broadcasting, which established two joint venture partnerships, TCI-Taft Cablevision Associates, Denver, to handle acquisition, development and operations of catv systems and Taft-TCI Programs, Cincinnati, O., to develop programing for both pay and basic cable.

That move was followed by the March 31 purchase of about 83% of the outstanding common stock of Horizon Communications Corp. from Equitable Life Assurance, for $30,000,000 in cash. The purchase swelled the basic subscriber list by 135,000. And in May, 1981, that list was augmented by 60,000 more with the purchase of Cable Information Systems in New York.

Following that, in June, Taft-TCI made an agreement to purchase Cape Cod Cablevision Corp., Barnstable, Mass., which, if the deal goes through, could yield another 28,000 subscribers.As of March 31, 1981, TCI, through its subsidiaries, served 1,277,000 basic subscribers and 563,000 pay tv subscribers in 43 states.

■ The company generated additional buying potential in August, 1981, when it announced that TCI Growth, a wholly owned subsidiary, had received the okay from nine banks for a new credit line of $130,000,000, funds that will be used for both future acquisitions and consolidation of affiliates.

Stock offerings are another way the company generates equity for future acquisition. One, issued in November, 1980, offered 3,000,000 shares of class A common stock and brought in over $70,000,000. Another, more recent offering occurred in April, 1981, when 1,800,000 more shares of class A common stock were offered.

The top priority of TCI is expansion, but there has been an strong effort made to build a strong, homogenous management core surrounded by heterogeneous elements—the diverse elements gathered by acquisition. That is accomplished, according to Mr. Malone, by promoting from within. "We have never used a headhunter," he says, and he compares the strength of this method to the growth of a crystal.

Attempts also are being made, by decentralizing and delegating more responsibility to to the regional operations, to keep the company from getting top-heavy at the home office.

MEDIA PROPERTIES:
Cable/video: Owns or franchises the following systems: ALABAMA—Homewood (80% interest); CALIFORNIA—Carson, Daly City (84% interest), Fremont (92% interest), Grass Valley, Millibrae, Oceanside, Penn Valley, San Carlos, San Mateo, South Lake Tahoe, Sunnyvale; COLORADO—Alamosa, Brush, Delta, Durango, Fort Morgan, Glenwood Springs, Jefferson County (southern portion), Lakewood, Leadville, Monte Vista, Montrose, Pueblo (88% interest); INDIANA—Eaton, Fairmont, Hartford City, New Castle, Upland; ILLINOIS—Alorton, Mattoon; IOWA—Milford; KANSAS—Caney, Cherryvale, Coffeyville, Derby (83%), Dodge City, El Dorado, Garden City, Garnett, Goddard, Iola; Leavenworth, Newton, Ottawa; MINNESOTA—Albert Lea (80% interest), Austin (80% interest), Faribault, Ortonville; MISSOURI—Centralia, Hannibal, Huntsville, Jefferson County, Moberly, Mountain Grove, Republic; MONTANA—Anaconda, Billings, Bozeman, Butte, Deer Lodge, Dillion, Glenview (50% interest), Helena, Lewiston, Livingston, Miles City; NEBRASKA—Alliance, Douglas County, Kimball, Ogallala, Scottsbluff, Sidney. NEVADA—Carson City, Elko; NEW JERSEY—Elizabeth (80% interest), Gloucester City; NEW MEXICO—Artesia and Carlsbad; NEW YORK—Poughkeepsie; NORTH CAROLINA—Elkin, Marion, Morganton, Mount Airy; NORTH DAKOTA—Grand Forks, Minot (80% interest); OHIO—Barnesville, Bethesda, Bridgeport, Cadiz, Dillonvale, East Liverpool, Hamilton, Irondale, Marion, Martins Ferry, Middletown, Mingo Junction, Shadyside, Steubenville, Warren, Wheeling Township; OKLAHOMA—Duncan, Enid, Marlow, Muskogee; PENNYSYLVANIA—Ambridge, Carnegie, Castle Shannon, Clarion, Dormont, Etna, Gettysburg, Glassport, Kane, McKeesport, McKees Rocks, Monessen, Mount Wolf, Penn Hills Township, Quarryville, Red Lion, State College, Towanda, West View; SOUTH CAROLINA—Bennettsville; SOUTH DAKOTA—Mitchell(50% interest), Rapid City, Sioux Falls; TENNESSEE—Brownsville, Memphis (44%), Soddy-Daisy; TEXAS—Deleon, Freeport (80%), Huntsville, Mineral Wells, Woodsboro; UTAH—Farmington, Grantsville, Ogden, Provo, Salt Lake City, Toole; VERMONT—St. Albans; VIRGINIA—Culpeper, Orange; WASHINGTON—Anacortes, Bellingham, Bremerton, Burlington and Olympia, Raymond; WEST VIRGINIA—Chester, Moundsville, New Cumberland, Wellsburg, Wheeling; WISCONSIN—Madison (25%); Wyoming—Cody, Lander, Laramie, Riverton, Thermopolis, Worland.

OTHER PROPERTIES:
Centre Video Corp.; Community Cable of Utah; Community Tele-Communications; TCI Development Corp.; TCI Programs; Tri-State Cablevision; Vail Cable Communications; TCID 2: Athena Communications Corp.; TCID 3; Utah Satellite Corp., Western Tele-Communications.

Thomson Newspapers Ltd.

Thomson Newspapers Ltd., Toronto, Ont., is the 33rd largest media company in the U.S. with revenues of $208,144,200 in 1980, all from newspapers.

Thomson Newspapers U.S. properties include 80 newspapers. The company has an additional 54 Canadian daily and weekly newspapers which bring additional revenues of US $230,600,000. Its U.S. headquarters is in Des Plaines, Ill. At yearend 1980, total daily circulation in the U.S. was 1,100,200; in Canada, total circulation was 1,166,700.

The company is a 71%-owned operation of the Thomson family, which holds a vast publishing and business empire in the U.S., Canada and Europe. International Thomson Organisation Ltd., Toronto, is a separate, 81% family-owned company with interests in business publications and book publishing in the U.S., United Kingdom and the Continent; national and regional newspapers in the U.K.; U.K. consumer magazines; package tour operations and travel agencies in the U.S. and U.K., and substantial holdings in North Sea oil fields and other petroleum-related businesses.

Both Thomson Newspapers and International Thomson Organisation are headed by Kenneth R. Thomson, who also holds the title of Lord Thomson of Fleet. He inherited both the title and the companies from his father, Roy H. Thomson. The elder Mr. Thomson started the newspaper company in 1934 with the acquisition of the *Daily Press*, Timmins, Ont.

Thomson's first U.S. acquisition—the purchase in 1952 of the *St. Petersburg* (Fla.) *Independent* (subsequently sold)—was the start of a movement southward from its Canadian base. The company has been consistent in operating style, and, as in Canada, it favors noncompetitive newspapers in small and medium-size communities.

In 1967 alone, Thomson acquired 18 U.S. newspapers. Since then, it has bought about six to eight per year. St. Clair McCabe, president of the U.S. operations, said the company does not approach acquisition with cut-and-dried rules.

"If we think a newspaper can make a good contribution, we'll buy it," he said. "Thomson is not a very exciting newspaper chain. Our basic business is not that of a large, metropolitan newspaper, and we wouldn't be interested in that sort of property."

An exception to that corporate rule came in 1980, when Thomson acquired F.P. Publications Ltd., a leading Canadian chain whose flagship paper was the *Toronto Globe and Mail*. Following the purchase, the Canadian government conducted an inquiry into media concentration. The Kent Commission issued a detailed report on the issue and recommended that Thomson limit futher acquisition activities in Canada.

In addition, after it closed F.P. Publications' *Ottawa Journal*, Thomson was charged in May, 1981, with antitrust actions under Canada's Combines Investigation Act.

■ The government and public attention has forced the company to shift its future growth to the U.S. market, said Robert Duncan, a communications analyst with Wood Gundy, a Toronto brokerage.

In its 1980 annual report, Thomson called the acquisition of additional U.S. newspapers "one of our principal objectives."

So far in 1981, it has acquired five U.S. papers: *Tifton* (Ga.) *Gazette, Enterprise* (Ala.) *Ledger, Sikeston* (Mo.) *Daily Standard,, Thomasville* (Ga.) *Times-Enterprise;* and *Kokomo* (Ind.) *Tribune*. The company also formed an equal partnership with Abiti-Price to expand and operate that company's newsprint mill in Augusta, Ga.

Financially, 1981 is shaping up to be a healthy year for the chain. For the first six months of the year, net income (for Canadian and U.S. operations) reached $43,816,992, compared with $246,349,037 in the same period last year. Mr. Duncan estimated that the company's earnings this year will end up about 25% ahead of last year.

MEDIA PROPERTIES:
Newspapers (dailies): ALABAMA—*Dothan Eagle, Enterprise Ledger, Opelika-Auburn News.* ARIZONA—*Douglas Daily Dispatch.* ARKANSAS—*Northwest Arkansas Times,* Fayetteville. CALIFORNIA—*Barstow Desert Dispatch; Eureka Times-Standard; Oxnard Press-Courier; San Gabriel Valley Tribune,* West Covina; *Antelope Valley Daily Ledger-Gazette,* Lancaster; *Siskiyou Daily News,* Yreka. CONNECTICUT—*Ansonia Evening Sentinel.* FLORIDA—Jackson County Florida, Marianna; *Key West Citizen; Orange Park Daily Clay Today; Punta Gorda Daily Herald News.* GEORGIA—*Cordele Dispatch; Dalton Daily Citizen-News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times.* ILLINOIS: *Mount Vernon Register-News.* INDIANA—*Kokomo Tribune, New Albany Tribune.* IOWA—*Council Bluffs Nonpareil, Oelwein Daily Register.* KANSAS—*Atchison Daily Globe, Leavenworth Times.* KENTUCKY—*Corbin Times-Tribune.* LOUISIANA—*Lafayette Daily Advertiser.* MARYLAND—*Salisbury Daily Times.* MASSACHUSETTS—*Fitchburg-Leominster Daily Sentinel and Enterprise, Taunton Daily Gazette.* MICHIGAN—*Adrian Daily Telegram, Escanaba Daily Press, Iron Mountain Daily News, Marquette Mining Journal.* MINNESOTA—*Albert Lea Evening Tribune, Austin Daily Herald.* MISSISSIPPI—*Laurel Leader-Call.* MISSOURI—*Cape Girardeau Southeast Missourian, Carthage Press, Sikeston Daily Standard.* NEW HAMPSHIRE—Portsmouth Herald. NEW YORK—*Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times.* NORTH CAROLINA—*Rocky Mount Evening Telgram.* OHIO—*Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middletown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder.* OKLAHOMA—*Ada Evening News.* PENNSYLVANIA—*Connellsville Daily Courier, Greenville Record-Argus, Hanover Evening Sun, Kitanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent,* SOUTH DAKOTA—*Mitchell Daily Republic.* VIRGINIA—*Petersburg Progress-Index,* WEST VIRGINIA—*Fairmont Times-West Virginian, Weirton Daily Times.* WISCONSIN—*Fond du Lac Reporter, Manitowoc Herald-Times-Reporter.*
Newspapers (nondailies): *Phenix City* (Cal.) *Citizen, Englewood* (Fla.) *Herald, McLeansboror* (Ill.) *Times-Leader, Franklin* (O.) *Chronicle, Midland* (Pa.) *News.*

Time Inc.

Time Inc., New York, is the country's fourth largest media company, with an estimated $1.35 billion in revenues from media operations in 1980, or 47% of total revenues of $2.88 billion. Magazines brought in almost half of the media revenues, with the company's extensive holdings in video properties accounting for the rest.

Over-all, the company earned $222,700,000 in 1980. The company also derives income from book publishing, forest products, industrial contracting and various other operations. Although the past year has been a good one for Time Inc.—especially in the magazine group—some of its ventures have proved to be disappointments.

The company pulled the plug on the *Washington Star* in August, ending its 3½-year struggle to make the afternoon paper a profitable competitor to the *Washington Post*. The company estimated that it lost $35,000,000 on the venture, and that losses were beginning to mount at a rate of $20,000,000 a year.

What sounded the death knell for the paper was its continuing inability to break the morning *Post's* hold on local advertising. Although one of the country's largest papers, with a circulation of 323,000—and arguably one of its better ones—the *Star* had only 25% of Washington's ad linage and only 20% of its ad revenues at the time of the paper's death. Those two anemic shares, many analysts agree, doomed the paper.

■ Time-Life Films also went down the tubes, as the parent company shut down that unprofitable operation in 1981.

But for a company that in recent years has seen its nonpublishing operations, such as forestry, contribute an increasing portion of the bottom line, 1981 was a year in which the magazine division again proved to be a winner.

After struggling through much of the decade, *Money* has taken off, with ad pages, ad revenues and circulation all rapidly setting new records. And Time Inc.'s newest property—*Discover*—has quickly established itself as a leader in the science magazine field, with its rate base rising by 150,000 to 750,000 in January. Altogether, the company's magazines brought in revenues of $747,000,000 in 1980, with that figure expected to grow considerably by the end of 1981. Last year's net income was reduced by 20%, largely because of the startup costs of *Discover*, again a figure expected to improve by the time year-end results are in.

For the third quarter of 1981, the company's operating income rose 23% to $220,992,000, while net income declined 7% to $95,685,000, a drop company officials attribute to the shutdowns of the *Washington Star* and Time-Life Films.

Time Inc.'s video subsidiaries continue to grow into impressive moneymakers.

Although the company does not report the individual results of its Home Box Office operations, industry analysts have said that the pay tv subsidiary, with its estimated 7,500,000 subscribers, will probably bring in a profit of almost $80,000,000 this year. That profit—which represents 22% of Time Inc.'s estimated total profit—means that the cable subsidiary has just about drawn equal with the magazine division in terms of contributing to the company's bottom line.

HBO did not show a profit until 1977, but now the seven-year-old enterprise is proving successful enough to allow expansion. The company just formed Cinemax, a service that relies almost strictly on movies for its programing. The new venture is a way that Time Inc. can effectively compete against some of the other cable services, such as Showtime and The Movie Channel, that rely on movies around the clock, while allowing HBO to maintain its mix of movies and original programing.

Some of that original programing is coming from Time Inc.'s other properties. *Money* has just completed a deal to develop a regular show based on articles in its issue. *Discover* is reportedly also on the verge of developing a cable show using its editorial resources, and word is strong from Time Inc. insiders that the company is about to go through with a cable magazine show that *People* editor Richard Stolley and publisher Richard Durrell have been working on since the summer.

Time further strengthened its position in the video business in August when it entered the advertiser-supported cable network field as half-owner of USA Cable Network, one of the top four in that category. Time agreed to pay $15,000,000 for the 50% share owned by UA-Columbia Cablevision, with the other half going to Paramount Pictures Corp. from Madison Square Gardens Productions, both of which are subsidiaries of Gulf & Western. There is also an option for Time to buy full control of the operation.

USA Cable Network, thanks to a lineup of 1,450 systems reaching more than 8,000,000 homes, is expected to gross at least $12,000,000 on ads in 1981.

MEDIA PROPERTIES:
Magazines: *Discover, Fortune, Life, Money, People Weekly, Sports Illustrated, Time.*
Cable/video: Amercian Television and Communications Corp., serving the following: ALABAMA—Birmingham (87% interest). ARKANSAS—El Dorado, West Memphis. CALIFORNIA—Arvin, Canyon Country, Del Mar, Lamont, Moraga, Orange, Rancho Bernardo, San Diego, San Marino (80% interest), Saugus, South Pasadena, Tehachapi, Tulare. COLORADO—Canon City, Colorado Springs, Littleton. CONNECTICUT—Torrington (97% interest). FLORIDA—Cocoa/Melbourne, Jacksonville, Kissimmee, Orlando, Ormond Beach, Perry. GEORGIA—Savannah. HAWAII—Honolulu (84% interest). ILLINOIS—Champaign-Urbana (80% interest). INDIANA—Indianapolis (80% interest), Marion, Terre Haute. IOWA—Council Bluffs (50% interest), Fort Madison, Iowa City, Mount Pleasant, Muscatine. KANSAS—Chanute, Emporia, Independence, Neodesha, Parsons. KENTUCKY—Hartford/Beaver Dam, Madisonville, Mayfield, Murray. LOUISIANA—Monroe/West Monroe, Shreveport. MAINE—Biddeford, Portland, Sanford. MICHIGAN—Battle Creek (50% interest), Oscoda, Tawas, Waterford Township (50% interest). MINNESOTA—Mankato, Marshall, Montevideo. MISSISSIPPI—Jackson. MISSOURI—Boonville, Chilicothe, Kansas City (50% interest), Kennett, Marshall, Maryville, St. Louis County unincorporated areas (80% interest) and north area (80% interest). NEBRASKA—Columbus, Falls City. NEVADA—Fallon/Yerrington. NEW JERSEY—Salem. NEW YORK—Albany (80% interest), Ithaca, Manhattan, Rochester, Webster. NORTH CAROLINA—Asheboro, Burlington, Charlotte, Durham, Fayettevile/Dunn, Gastonia, Greensboro, High Point (80% interest), Lumberton, Raleigh, Rockingham, Southern Pines (80% interest), Whiteville/Chadbourne. OHIO—Columbus, Delaware. OKLAHOMA—Bartelsville (80% interest), Blackwell, Cushing, Guymon, Midwest City (83% interest), Norman (80% interest), Stillwater (80% interest), Woodward. OREGON—Baker, La Grande, Union. PENNSYLVANIA—Erie (52.65% interest), Franklin, Levittown (80% interest), Reading, Springfield/South Delaware County. TENNESSEE—Henderson, Lexington, Memphis (44% interest), Milan, Savannah, Union City. TEXAS—Austin, Wichita Falls. VIRGINIA—Lynchburg (90% interest), Richmond (40% interest). WEST VIRGINIA—Charleston. WISCONSIN—Appleton, Beloit, Chippewa Falls/Eau Claire, Fond du Lac (50% interest), Green Bay, New Berlin, Sheboygan (50% interest), Two Rivers (40% interest), West Allis (49% interest). Also, Cinemax, Home Box Office, USA Cable Network
Broadcasting: WOTV, Grand Rapids, Mich.
Newspapers: Twenty-eight nondaily newspapers of the Pioneer Press: *Citizen* (serving Edison Park, Harwood Heights, Norridge, northwest Chicago, Norwood Park), *Deerfield Review, Des Plaines Highlander, Elm Leaves, Evanston Review, Forest Leaves, Franklin Park Herald, Franklin Park Journal, Glencoe News, Glenview Announcements, Herald* (Northlake, Leyden Township, Stone Park, Melrose Park), *Highland Park News, Lake Forester, Maywood Herald, Morton Grove Champion, Niles Spectator, Northbrook Star, Oak Leaves, Park Ridge Advocate, River Grove Messenger, Rosemont Progress, Schiller Park Independent, Skokie Review, Vernon Review, Weekend World* (Oak Park), *West Proviso Herald, Wilmette Life, Winnetka Talk.*

OTHER OPERATIONS:
Time-Life Books, Little, Brown, Book-of-the-Month Club, New York Graphic Society, Temple-EasTex, Inland Container Corp., Selling Areas-Marketing Inc.

Times Mirror Co.

Times Mirror Co., Los Angeles, is the country's seventh largest media company, with revenues of $1,128,378,000 from media operations in 1980. Newspapers accounted for $874,343,000 in revenues, or 61% of the company's total revenues of $1,857,349,000.

Magazines accounted for $114,100,000 in revenues and tv and cable operations together produced sales of $139,935,000. Total profits last year were $253,826,000.

The publicly held company is on an expansion drive, which in 1980 included the acquisition of the *Denver Post* and five tv stations. In 1981, it installed new publisher-chief executive officers at the *Los Angeles Times* and the *Denver Post.*

Times Mirror is pursuing a $215,000,000 capital improvement program that includes the expansion of its Orange County, Cal., plant and plans for a new satellite facility in the San Fernando Valley, also in Southern California, by 198[illegible]. The company is also modernizing its pressroom at Times Mirror Square headquarters.

Times Mirror is continuing to strengthen its position in cable tv. It is testing a two-way interactive cable information system in Southern California and plans in 1981 to introduce new programing services to cable via satellite.

Named as *Los Angeles Times* publisher-ceo in 1981 was Tom Johnson, president and chief operating officer of the *Times* from 1977 to 1980. He is a former publisher of Times Mirror's *Dallas Times Herald.*

Mr. Johnson succeeded Otis Chandler, who became chairman and first corporate editor-in-chief of Times Mirror.

Since Mr. Johnson's arrival, a key *Times* goal has been to strengthen the paper's presence in suburban markets where *Times* penetration is low.

■ It was in 1980 that the *Times* attempted to better reach those markets in an experiment with a free weekly newspaper called the *Best of the Times.* This distillation of news features from the daily *Times*, was seen as an attempt to offer advertisers "total market coverage" and a means to boost *Times* circulation. It was apparently unsuccessful. In March, 1981, the *Times* ended the experiment after if failed to generate significant ad revenues.

On the other hand, Times Mirror recently established a fully staffed free weekly in Irvine, Cal., called the Mirror. The paper is published under the company's *Orange Coast Daily Pilot* subsidiary, Costa Mesa, Cal.

The *Los Angeles Times* itself continues to set U.S. records in ad linage. In 1980 it retained its leadership position, with total ad linage of 161,075,507. On Sunday, the *Times* is also the national linage leader, reporting total Sunday linage of 54,047,742.

Magazines accounted for Daily circulation at the *Times*, which averaged 1,011,798 over the six-month period ended Sept. 30, is second in the nation, ranking behind the circulation of the *New York Daily News*. Its Sunday circulation—1,250,620—is third, behind the *Daily News* and the New York Times.

In 1980, the *Times* signed a consent decree with the Federal Trade Commission agreeing to restrict volume discount ad rates it offered heavy advertisers. Now the paper wants the FTC to drop the case and is attempting to marshal industry support.

The company's 1980 acquisition of the afternoon *Denver Post* for $95,000,000 was seen by management as a strategic move into one of the fastest growing U.S. markets. Lee J. Guittar, former publisher of the company's Dallas Times Herald, was named president, publisher and ceo of the *Post*, succeeding Donald R. Seawell, who continues as Post chairman. Mr. Guittar is also group vp-newspapers of Times Mirror and chairman of the *Dallas Times Herald.*

Continuing its battle against the afternoon odds and the *Rocky Mountain News*, the *Denver Post* began an early morning edition in September, 1981. It is expected to increase street sales 10,000 to 15,000.

The *Post's* circulation averaged 255,663 in the six months ended Sept. 30, compared with 272,373 over the same period in 1980.

In 1980, the *Dallas Times Herald* had its fifth straight record year.

Its daily circulation averaged 242,821 over the six months ended Sept. 30, while the Sunday figures stood at 335,089.

■ But the once friendly competition between the *Times Herald* and the rival *Dallas Morning News* broke into a heated struggle in 1981 after the *Morning News* managed to lure Field Syndicate columnist Ann Landers from the Times Mirror newspaper. Times Mirror attorneys are said to be considering some kind of legal action over this move.

Five new tv stations and a major expansion in cable helped the Times Mirror broadcast and cable group post a 46% increase in operating profits to $47,200,000 in 1980 on revenues of $139,900,000.

The seven-station Times broadcast group has a joint programing venture in the works and is said to be concentrating on station programing and promotion to improve ratings at the stations for the season.

MEDIA PROPERTIES:
Newspapers: *Advocate* (Stamford, Conn.); *Dallas Times Herald*; Denver Post; *Greenwich* (Conn.) *Time*; *Hartford* (Conn.) *Courant*; *Los Angeles Times*; *Newsday*(Melville, N.Y.); *Orange Coast Daily Pilot* (Costa Mesa, Cal.).
Broadcasting: KDFW-TV, Dallas-Fort Worth; KTBC-TV, Austin, Tex; KTVI-TV, St. Louis; WVTM-TV, Birmingham, Ala.; WHTM-TV, Harrisburg, Pa.; WSTM-TV, Syracuse; WETM, Elmira, N.Y.; Times-Mirror Cable Television.
Cable/video: (All designated "Times Mirror Cable Television") ARIZONA—(all 20% owned) Bullhead City, Casa Grande, Chandler, Eloy, Fountain Hills, Heber, Lake Havasu, Nogales, Paradise Valley, Phoenix, Rio Verde, Superior, Tempe. ARKANSAS—Jacksonville, North Little Rock. CALIFORNIA—Escondido, Laguna Niguel, Long Beach, Palos Verdes, Perris. CONNECTICUT—Hartford (90% owned), Meriden (95% owned). ILLINOIS—Springfield. INDIANA—Lafayette. KENTUCKY—Ashland, Hopkinsvile, Louisville. MASSACHUSETTS—Amherst, Bradford, Greenfield, Longmeadow, Palmer. NEVADA—Las Vegas (50% owned). NEW JERSEY—Point Pleasant Beach. NEW YORK—Riverhead. OHIO—Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan, Newark, Newcomerstown, New Philadelphia/Urichsville, Toronto, Waverly. PENNSYLVANIA—Beaver Falls, Glenolden/Darby, Philadelphia, Upper Darby, Washington, Williamsport. RHODE ISLAND—West Warwick. TEXAS—Del Rio, Kerrville, Marlin, Midland, Texarkana, Uvalde. WEST VIRGINIA—Weirton.
Magazines: *Cross Country Ski*; *Homeowner's Own*; Outdoor Life; *Popular Science*; *Ski*; *Sporting News*.

Times Publishing Co.

The Times Publishing Co. of St. Petersburg, Fla., had estimated media property revenues of $81,990,000 in 1980, making it the 73rd largest media company in the U.S. The privately owned company publishes the morning *St. Petersburg Times* and the *Evening Independent*.

It also owns the "Congressional Quarterly"; Modern Graphic Arts, a commercial publishing subsidiary, and *Florida Trend* magazine.

"We're in an expansion mode in all of our divisions," said Eugene Patterson, president of Times Publishing and editor of the *Times*. "We're benefiting from a very stable management group and several long-term financial investments."

Times Publishing is a Florida pioneer in localized news editions and advertising. In 1982, it plans to publish regional editions of the *Times* in five different suburban areas surrounding St. Petersburg, with an emphasis on dominating and penetrating the markets directly north of the city.

■ To facilitate its plans for that area, the company opened its first satellite printing plant, costing $6,000,000, this year in New Port Richey, north of St. Petersburg.

The company's regional editions are published seven days a week and offer part-run advertising rates to give local advertisers a rate they can afford.

"Intensely local advertising and news coverage will be the major thrust of the company's operations over the next year," Mr. Patterson said. "Our circulation objective is to become the largest newspaper between Miami and Washington, D.C."

The Times had an average circulation of 219,899 for the six-month period ending Sept. 30; the *Independent's* circulation was about 37,517 over the same period.

The company earlier this year acquired Congressional Monitor, which publishes a daily report on congressional committee activites in Washington. "Congressional Quarterly" is moving heavily into textbook publishing.

MEDIA PROPERTIES:
Newspapers: *St. Petersburg Times*; *Evening Independent*.
Magazines: *Florida Trend*.
Other publications: "Congressional Quarterly," publication of Congressional Monitor.

OTHER OPERATIONS:
Modern Graphic Arts.

Toledo Blade Co.

The Toledo Blade Co. is the nation's 62nd largest media company, with revenues of $118,700,000, all of which came from media operations. The Toledo-based company is privately owned and has both newspaper and broadcast holdings.

The *Toledo Blade*, flagship of the operation, continues to hold its own as the city's only evening newspaper. Advertising revenues have held steady in 1981 for the *Blade* despite the fact that Toledo, like many Northern industrial cities, has suffered through some hard times.

The company's other newspaper holdings, the Pittsburgh Post-Gazette, *Redbank* (N.J.) *Register* and *Monterey* (Cal.) *Pennisula Herald*, had slight ad revenue increases over 1980.

The main action for The Toledo Blade Co. has been in broadcasting, where the company is trying to diversify its holdings. The company has been in cable tv for 15 years with its Toledo-area Buckeye Cablevision.

■ "The future of cable is very bright and we want to be right in the middle of it," said Gary Brubacker of the broadcast operation. "We have good penetration in the area and the system is growing."

The cable system reaches 68,000 households with 60 channels and two pay services. Blade Co. also owns a 12-channel cable system in Monroe, Mich.

Federal Communications Commmission deregulation action in 1981 allowed Buckeye to unify its cable coverage for Toledo.

Previously, because of certain restrictions, people in certain parts of the area received different programing than other subscribers nearby.

■ In 1981, Blade Co. purchased Erie County Cablevision in Sandusky—a system with 13,200 subscribers.

The company also has traditional broadcast holdings. This past year it purchased WLFI-TV in Lafayette, Ind., a CBS affiliate. It already owned WLIO-TV in Lima, O. The company has one radio station, WWSW in Pittsburgh.

Toledo Blade Co. is owned by brothers Paul Block Jr. and William Block. The business has been in the family since 1926 and the *Toledo Blade* will celebrate its 185th anniversary in 1985.

MEDIA PROPERTIES
Newspapers (dailies): *Toledo Blade; Pittsburgh Post-Gazette; Shrewsbury-Redbank* (N.J.) *Register; Monterey Peninsula* (Cal.) *Herald*.
Broadcast: TELEVISION—WLFI, Lafayette, Ind.; WLIO, Lima, O. RADIO—WWSW (am), Pittsburgh.
Cable/video: Buckeye Cablevision, serving Toledo and suburbs; Erie County (Ohio) Cablevision, serving Sandusky; Monroe Michigan Cable System, serving Monroe.

And did you know...

• The number of U.S. tv and radio stations passed the 10,000 mark last January.

• The average price for the 35 tv stations sold last year was $15,261,428—more than double the $6,757,042 average of 1979. The 424 radio stations that exchanged hands sold for an average price of $801,023.

• Metromedia Inc. is paying $220,000,000 to Boston Broadcasting Corp. for WCVB-TV Boston—the most ever paid for a single station, and more than three times the previous record of $65,000,000.

• Westinghouse Electric Corp.'s acquisition of Teleprompter Corp. for $646,000,000 last year was the largest merger in broadcasting/cable history.

• In 1977, Park Broadcasting became the first company to own the maximum 21 radio and tv stations allowed by the FCC (7 am, 7 fm and 7 tv.)

• In 1981, it costs $175,000 for a 30-second commercial on "60 Minutes," the most expensive 30-second commercial in tv history.

• In 1924, Herbert Hoover said, "I believe the quickest way to kill broadcasting would be to use it for direct advertising."

Triangle Publications

Triangle Publications, Radnor, Pa., is the nation's 14th largest media company, with estimated 1980 revenues of $560,000,000, all from print media. It publishes *TV Guide*, *Seventeen* and the *Daily Racing Form*. In June, Triangle folded its 16-month-old *Panorama* magazine.

In the midst of burgeoning video technology, privately owned Triangle, headed by Walter Annenberg, a former U.S. ambassador, has been forced into defensive moves to protect its flagship *TV Guide* from obsolescence. In 97 of its 110 editions, *TV Guide* has incorporated program listings for basic cable and/or pay cable. It has also been testing a cable-pay tv edition sold alongside the regular *Guide* in the Southwest.

In late summer, the company scrapped plans for tests of editions in four markets that would have included a 24-page cable guide section. It would have been printed on colored paper, bound into the book and put after regular broadcast listings. Officials said they found the cable listings mixed with the regular listings to be preferable.

TV Guide had total 1980 revenues of $613,850,000, including $239,468,000 in advertising revenues, according to *Folio* magazine. *Folio* presents pre-commissionable ad expenditures and gross circulation and newsstand sales. It averaged 18,426,194 in circulation in 1980; for the first six months of 1981, the estimated ad revenue was $120,641,008 and circulation was 18,084,966, allowing it to maintain its position as the largest-circulation magazine in the nation.

■ Triangle officials maintain that *TV Guide* is healthy and vital enough to accommodate the changing requirements of a video publication.

"We have the right editorial format and content," said Merrill Panitt, editorial director of *TV Guide* and *Seventeen*. "It's a matter of covering more. But no publication is going to cover 150 channels. We'll carry the important ones, the ones that people watch."

TV Guide's commitment to long-term growth in changing media listings was evident earlier this year when the position of editor was divided between David Senler, now editor for national sections, and Roger Youman, editor for local sections.

Some observers believe Triangle's *Panorama* effort was an attempt to guard against the potential extinction of *TV Guide*. *Panorama*, a monthly first published in February, 1980, covered tv and its impact.

The publication ran 296 ad pages last year, with February through December ad revenues of $683,656; ad revenues from January through June, 1981, were $305,390. The company even talked about the possibility of incorporating *Panorama*'s format into tv programs.

But, aimed at upper-income, well educated readers, *Panorama* had garnered only half of its originally guaranteed circulation of 200,000 when the magazine folded in June, 1981. Saying that there was evidently "no need for *Panorama* as a consumer magazine," Mr. Annenberg admitted that the prospects for substantial growth were doubtful.

Analysts speculated that Triangle Communications pumped about $5,000,000 into *Panorama* during its brief life.

Seventeen magazine had total 1980 advertising revenues of $20,555,614, and expects advertising revenue of $22,300,000 for 1981. The magazine's publisher, Frank Wolf, also served as publisher of Panorama.

MEDIA PROPERTIES:
Magazines: *TV Guide; Seventeen*
Newspapers: *Daily Racing Form*

Tribune Co.

Tribune Co., Chicago, is the country's 10th largest media company, with revenues of $1.05 billion from media operations in 1980. Newspapers accounted for about 75% of the company's total revenues of $1.23 billion and radio and tv stations together about 10%. Total profits last year were $78,000,000.

The privately owned company is in the throes of change, as it struggles to improve profits at the *Chicago Tribune* and stem losses at the *New York Daily News*. It has installed a new chief executive officer and new editor at the *Tribune* and has scrapped a costly attempt to sell an afternoon edition of the *Daily News*.

At the same time, Tribune Co. is increasing its stake in cable tv and last summer purchased the Chicago Cubs baseball team, partly because of its potential value as cable entertainment.

The new president and ceo of the flagship *Tribune* is Charles T. Brumback, who formerly headed Tribune Co.'s Sentinel Star Co. in Orlando, Fla. Shortly after his arrival last February, Mr. Brumback, a financial exec by experience, imposed an austerity program at the newspaper, since partially lifted, that curbed travel and hiring. In June he tapped James D. Squires, who had been editor of the *Sentinel Star*, as editor of the *Tribune*.

Mr. Squires replaced Maxwell T. McCrohon, who was shunted into the less visible post of vp-news, a new position. Mr. Squires was brought in over William Jones, the *Tribune's* managing editor, who once was considered the odds-on favorite to become editor.

Tribune Co. wants to increase its return on equity from last year's 13.4%, which is well below that of most large newspaper companies. Mr. Brumback will try to contribute to that effort by increasing productivity at the *Tribune*, which he has characterized as a paper that had been "spending like an institution" rather than a business."I'm not comfortable working for a company that is satisfied with trailing the pack," he said.

In August, the company ceased publication of *Daily News Tonight*, its year-old afternoon paper designed to attract homebound commuters who read the *Wall Street Journal* and the *New York Times* in the morning. The company spent $20,000,000 on the venture, but could manage a circulation of only 70,000 for *Tonight*, compared with the targeted 200,000.

Tonight also failed to attract advertising from upscale department stores and other retailers. Two months before the folding, the paper had replaced Clay Felker as *Tonight* editor, hoping that a hard-news approach would work better than Mr. Felkner's "soft" features emphasis; it didn't.

"We have serious financial problems that must be dealt with immediately," Robert M. Hunt, Daily News publisher, said in announcing *Tonight's* demise.

Mr. Hunt said the *Daily News* would lose $11,000,000 this year, despite salary freezes, layoffs and other belt-tightening. The paper said it would seek concessions from its 11 unions, but stopped short of saying it would fold if the unions don't cooperate.

The *Daily News* remains the nation's largest general-circulation newspaper, but circulation has fallen substantially from its peak of 2,000,000 in the early 1970s. Meanwhile, Rupert Murdoch's *New York Post*, which started a morning edition to counter *Tonight*, has been gaining circulation.

■ The *Tribune* and *Daily News* both ranked among papers suffering the largest declines in circulation from Sept. 30, 1980 to Sept. 30, 1981. Average *Tribune* circulation fell 3.9% to 754,043, while *Daily News* circulation fell 2.7% to 1,483,333.

In June, Tribune Co. announced it would pay $20,500,000 for the Chicago Cubs, in a move that caught the sports and media worlds by surprise.

For the moment, the Cubs continue to produce revenues for the Tribune's WGN radio and tv in Chicago, and the company is believed to be looking at the baseball team's potential role in the Tribune's growing interest in broadcasting and cable tv.

■ Tribune Co. has indicated a willingness to spend heavily in baseball's free-agent market to improve the Cubs, even as the company tries to hold the line on spending at its newspapers.

Late last year, Tribune Co. paid about $33,000,000 for Douglas Communications Corp., a Mahwah, N.J., cable company, merging Douglas with existing cable operations to form a new cable subsidiary. At the same time, the company formed another subsidiary, Tribune Co. Broadcasting, which hopes to develop its own programing.

The company also is spending heavily on capital improvements. Last year, it approved a record $517,500,000 capital spending budget to build, among other things, a new Canadian newsprint mill and a $185,000,000 offset printing plant in Chicago.

■ Management hopes the new plant, which it says is the largest in the industry, will improve productivity and capacity, as well as the readability of the *Tribune*, which has been plagued by typographical errors, missing punctuation and poor legibility.

The capital spending and acquisitions have increased the company's outside borrowing and interest costs substantially, however, adding to the difficulties faced in reaching satisfactory profit levels. Long-term debt soared to $117,700,000 last year from $20,800,000 in 1976.

MEDIA PROPERTIES

Newspapers: CALIFORNIA—*Escondido Times-Advocate, Palo Alto-Redwood City Peninsula Times Tribune, Van Nuys Daily News.* FLORIDA—*Fort Lauderdale News, Fort Lauderdale Sun-Sentinel, Orlando Sentinel Star.* ILLINOIS—Chicago Tribune. NEW YORK—*New York Daily News.*

Broadcasting: TELEVISION—KWGN-TV, Denver; WGN-TV, Chicago; WPIX-TV, New York. RADIO—KNGR (am), WCTC (fm), Sacramento, Cal.; WICC (am), Bridgeport, Conn.; WGN (am), Chicago; KDAL (am), Duluth, Minn.; WPIX (fm), New York.

Cable/video: Tribune Co. Cable Inc., serving California—Palmdale/Lancaster; Louisiana—Slidell; Maryland—Gaithersburg; Michigan—Houghton; Minnesota—Glencoe; New Mexico Albuerque; New York—Glens Falls, Oneida, Fedonia; Tennessee—Jackson.

Other Operations: Ontario Paper Co.; Q.N.S. Paper Co.; Quebec & Ontario Transportation Co.

UA—Columbia Cablevision

UA-Columbia Cablevision, Westport, Conn., is the country's 91st largest media company, with revenues of $54,930,000 in the year ended Sept. 30, 1980, all from cable tv services provided to 170 communities in 16 states. Net earnings last year were $4,790,000.

Revenues for the year ended Sept. 30, 1981, were "approximately $80,000,000," Robert Rosencrans, company president, said.

Last month, UA-Columbia's acquisition by Toronto-based Rogers Cablesystems and United Artists Theatre Circuit (a joint venture) was completed. Effective with the change, UA-Columbia's name was changed to Rogers UA Cablesystems.

At the end of September, the company provided cable to nearly 500,000 basic-service subscribers, up from 429,000 in April. About 450,000 of the basic-service subscribers also bought pay-cable service, up from 318,000 in April. Through September, the company cable service had passed 900,000 homes. Mr. Rosencrans said the company is about the ninth-largest U.S. cable tv operator.

■ UA-Columbia agreed last June to be sold for $90 a share, or a total of $400,000,000, ending a four-month bidding war marked by escalating offers and litigation threats. The battle began in February, when Knight-Ridder Newspapers joined with Dow Jones & Co. to offer $72 a share, or $237,600,000 for UA-Columbia. United Artists, then owners of 28% of UA-Columbia, vowed to fight the Knight-Ridder and Dow Jones bid, and finally triumphed when Rogers Telecommunications joined in the $90-a-share offer accepted UA-Columbia in June.

With the acquisition, Rogers Cablesytems, already Canada's largest, gains a more significant foothold in the fertile U.S. market. Rogers was already a minority shareholder in UA-Columbia. With its 51% share of UA-Columbia, the Canadian company can now claim 2,000,000 subscribers in Canada, the U.S. and Ireland.

The company has no immediate plans to add new territories, Mr. Rosencrans said, although that is a possibility.

In a major move this year, UA-Columbia sold its 50% share in the USA Network to Time Inc. in October for $30,000,000. This was done because his company's resources are best devoted to cable, rather than programing, Mr. Rosencrans said. "[USA's] service was really exceptional...but we thought the demands for investment in that [kind of] business would be extraordinary, with Getty Oil, Ted Turner and CBS attracted to compete. We're not as well equipped as they to fight that battle."

MEDIA PROPERTIES

Cable/video: ARIZONA—Yuma. ARKANSAS—Bonanza, Fort Smith, Greenwod, Hackett, Jonesboro, Lake City. CALIFORNIA—Brawley-Westmoreland, Calexico, El Centro-Imperial, Holtville. COLORADO—Aspen-Snowmass, Basalt, Rifle. FLORIDA—Fort Pierce, Vero Beach. KANSAS—Marysville, Pittsburg. MASSACHUSETTS—North Attleborough, Tauton. NEBRASKA—Beatrice. NEW JERSEY—Allendale, Bloomingdale, Bogota, Butler, Cedar Grove, Clifton, Elmwood Park, Garfield, Glen Rock, Hackensack, Haledon, Hasbrouck Heights, Hawthorne, Hillsdale, Hohokus, Kinnelon, Lincoln Park, Little Falls, Lodi, Maywood, Midland Park, Montville, North Caldwell, North Haledon, Nutley, Oakland, Ringwood, Riverdale, River Edge, Rochelle Park, Saddle Brook, South Hackensack, Teaneck, Towa. Waldwick, Wanaque, Wayne, Washington, West Patterson, Westwood, Woodridge. NEW MEXICO—Alamagordo. NEW YORK—Ardsley, Bellport, Brookhaven, Bronxville, Dobbs Ferry, Eastchester, Lake Grove, New Rochelle, Patchogue, Pelham, Pelham Manor, Scarsdale, Tuckahoe, White Plains. OKLAHOMA—Arkoma, Krebs, McAlester, Muldrew, Salislaw. OREGON—Hermiston, Pendleton, Pilot Rock. TENNESSEE—Fayetteville, Lawrenceburg, Pulaski. TEXAS—Ballinger, Bexar City, Cibold, Converse, Gainesville, Kirby, Laredo, Live Oak, Miles, Mount Pleasant, Mt. Vernon, Pittsburg, San Angelo, San Antonio, Schertz, Selma, Universal City, Windcrest, Winters. WASHINGTON—Pasco-Kennewick.

And furthermore...

• *Business Week* in 1980 completed its sixth straight year of running more ad pages (4,941 last year) than any other magazine.

• The single magazine issue with the largest ad revenues in the medium's history was the November, 1981, *Better Homes and Gardens*, which ran 177 pages of ads costing $12,315,582.

• The largest single magazine issue in total pages was the September, 1981, *Vogue* — 610 pages.

• The 67 pages of ads carried by the fall, 1981, issue of *Families* was the most ever for a premier issue.

• Gannett Co.'s and Knight-Ridder's 6% shares of total U.S. daily newspaper circulation were exceeded in 1946 by Hearst Corp., whose 17 papers controlled 10.4% of daily circulation.

• The most expensive four-color full-page ad in a U.S. magazine: $89,600, *Reader's Digest*.

• *Geo* last year was the fastest growing consumer magazine in total revenues, ad revenues, average circulation, subscription revenues and subscriptions. It was sold by Gruner & Jahr this year because it was losing too much money.

United Cable TV Corp.

United Cable TV Corp., Englewood, Colo., is the country's 84th largest media company, with revenues of $62,838,000 in the fiscal year that ended in May, all from cable television. Net income was $7,897,000.

Reflecting the general boom in cable tv, the publicly held company has grown rapidly in recent years. By subscriber count, it is the 11th largest U.S. cable company.

Last year's revenues rose 41% from the previous year, and net income was up 23%. That pace continued in the first quarter of the current fiscal year, when revenues jumped 48% to $20,311,000 and earnings increased by 36% to $2,475,000.

At the close of calendar 1980, the company had 362,150 system subscribers; that number grew by 22% to 443,536 by Oct. 31 of this year.

■ United Cable was founded in 1953 by two brothers who brought tv to Casper, Wyo., by sending broadcasts from Denver network tv stations via microwave to Casper, where the signals then were transferred over cable to homes. Tv signals at that time were too weak for Casper, which had no local tv stations, to receive from Denver.

United has long since left behind the trappings of such frontier technology. The company, which has 35 systems covering 84 communities in 16 states, is deep into testing new services to augment its current cable base.

Its showcase system in Tulsa, whose 90,000 subscribers account for more than one-fifth of United Cable's subscribers, is investigating other revenue sources such as in-home security and banking services, rigging tv sets as minicomputers with keyboards, meter reading, teletext and pay-per-view services, as well as advertising and time sales.

■ United Cable, unlike its larger neighbor, Tele-Communications Corp., has not been acquisition-minded. "The value of cable properties is so high; many, too, are overvalued, for one thing," says a company official. United Cable has only purchased two systems since 1979: One in Foster City, Cal., and the other in Hammond, Ind. Both, however, were in the initial building stage. Foster, purchased in late 1979, now has 3,500 cable subscribers and 6,800 homes passed.

■ The Hammond operaton, purchased in 1980, indicates the sophistication that has entered the cable business, primarily since RCA Corp. in 1975 granted Home Box Office the right to use its communications satellite. That quickly rendered passe the relaying of programing from one system to the next. HBO promptly went national from its regional base and other pay cable operators took after in hot pursuit.

Hammond, with only 11,000 cable subscribers out of 30,000 homes passed has 27,000 pay subscriptions, meaning United Cable subscribers have an average of 2.45 pay systems per home, one of the highest in the nation.

United Cable has responded to internal growing pains by broadening its management base. A year ago, David Vanvalkenburg was brought in from Time Inc.'s American Television & Communications Corp. to become exec vp and chief operating officer. He joined company founders Gene Schneider, president and ceo, and Richard Schneider, senior vp/engineer, in United Cable's office of the president.

MEDIA PROPERTIES

Cable/video: (systems im 15 states) CALIFORNIA—Cupertino, Foster City, Hayward (80.5% interest), San Leandro (80.15% interest), San Lorenzo (80.5% interest). COLORADO—Arvada, Denver (suburbs), Grand Junction. CONNECTICUT—Bristol, New Britain (50% interest), Plainville. IDAHO—Boise. ILLINOIS—Carpenterville (80% interest), Effingham, Galesburg (50% interest), Mendota, Monmouth (50% interest), Peru-LaSalle. INDIANA—Hammond. LOUISIANA—Bossier City. MARYLAND—Berlin, Ocean City (both 50% interest). MICHIGAN—East Lansing (96.5% interest), Gibraltar, Lincon Park, Woodhaven. NEBRASKA—Bellevue (40% interest). NEW MEO—Gallup, Santa Fe (80% interest). OKLAHOMA—Tulsa (91% interest). TEXAS—Abilene, Anson, Hamlin, Jacksonville, Perryton, Rotan, Sweetwater, Tyler. UTAH—Moab. WYOMING—Casper.

U.S. News & World Report

U.S. News & World Report, Washington, is the 58th largest media company in the country, with estimated revenues in 1980 of $125,000,000, nearly all from media operations.

The weekly news magazine accounts for more than 90% of total revenues. The remaining 10% comes from two newsletters, interests in radio programing and electronic publishing services and a book division.

Company president James McIlhenny and chairman John Sweet say the privately owned concern is "an extremely wealthy company," and has been profitable in at least seven of the last 10 years.

Things began to change noticeably at the company a few years after David Lawrence, founder of the 41-year-old periodical, died in 1973. "It was decided to aggressively manage the assets of the company," says Mr. McIlhenny.

Mr. Lawrence was interested almost entirely in making the magazine successful. He did allow a book division to start up in the 1960s, but it never received his full support and remained largely dormant for years.

■ In the mid-1970s, the company started moving slowly to diversify and now is actively looking into new, but related, business interests. "We're not only a magazine," says Mr. McIlhenny. "We're a communications business." The company is also looking into ways to improve the image of *U.S. News*. (The magazine actually evolved from a newspaper, *United States Daily*, which Mr. Lawrence began in 1926.)

U.S. News has always been "the third news magazine," with 2,100,000 in circulation to *Time's* 5,700,000 and *Newsweek's* 3,000,000. Part of the reason is that *U.S. News* has never sought to conform to the flashy readability of its competition. It claims to be the "serious" news magazine; it doesn't have sections on entertainment, for example.

In 1977, in an effort to shed its stodgy reputation among advertisers and even the magazine's staff, Mr. Sweet budgeted $1,200,000 for an advertising campaign. New York agency Ted Chinn & Co. came up with ads featuring celebrities such as Cheryl Tiegs and Andy Warhol telling what *U.S. News* was not—"no fun," "no razzle-dazzle" and "no glitter." In the first two years of the award-winning campaign, ad pages and circulation were up. "I think it increased ad pages, but it would be difficult to prove it in actual numbers," says Mr. Sweet.

The magazine recently moved its account to North Castle Partners, Greenwich, Conn., which has developed the new slogan: "We're on the inside looking out for readers."

The magazine was redesigned in 1977 and 1979, and in June, 1980, four-color r.o.p. capacity was added. *Newsweek* had this capability in 1977 and *Time* will have it in January, 1982.

There also are some new faces at the company. Mr. McIlhenny, now president, was hired in 1980 as vp primarily responsible for business and financial operations. He previously had spent 12 years at Macmillan Inc., eventually becoming one of three vps there.

In 1978, William Dunn, formerly vp-advertising, moved up to publisher. Last year, Raymond Naimoli, formerly controller at *Scholastic* magazine, signed on as financial vp.

■ U.S. News recently hired Nat Kingsly, a radio and print veteran to develop new projects. One of the first was to buy a controlling interest in Parkway Communications Corp., a major producer and distributor of fine arts radio programing. Parkway is expected to begin syndicating news and public affairs programs, drawing on the editorial staff of *U.S. News*. Mr. Kingsly also is hoping to get involved in producing tv shows on political and social issues.

A major goal of the organization is to beef up its book division under recently hired publishing exec Roy Pinchot. To date, 62 titles have been released.

Mr. McIlhenny expects this division—eventually—to bring in 25% of revenues, with a volume of $35,000,000. Currently, the book division accounts for only a small fraction of the 10% of the company's total revenues from nonmagazine sources.

In a move to derive money from its land holdings, U.S. News earlier this year announced that it would lease some of its downtown Washington land for development of a major hotel, an office building and high-rise condominiums. The project will cost $200,000,000 and is expected to be completed in 1983.

MEDIA PROPERTIES:
Magazines: *U.S. News & World Report.*
Newsletters: "Washington Newsletter" (monthly); "Washington Business Report" (monthly); news syndication service.
Broadcasting: Parkway Communications (radio programing).

OTHER OPERATIONS:
Book division; interests in Publishers Phototype and Computer Typesetting Service.

Viacom International

Viacom International, New York, is the country's 59th largest media company, with media property revenues of $122,260,000 in 1980, out of total revenues of $160,146,000.

The largest media segment is cable television, which had revenues in 1980 of $66,321,000, followed by tv and radio stations, with revenues of $55,939,000 (including those from Viacom's 50% ownership of Showtime with Teleprompter).

The company's Enterprise program distribution division accounts for the rest of total revenues.The publicly owned company, organized in New York in 1971 as the cable and syndication subsidiary of CBS Inc., has grown rapidly since its spinoff from the network a decade ago. In 1980, total revenues amounted to eight times those of 1971; operating profits for the same period increased tenfold.

In its early growth stages, Viacom's strategy was to use cash generated from the lucrative syndication arm, the Enterprises division, to help expand a young cable operation. Program distribution still makes the largest contribution to operating profits.

Viacom's library of off-network syndicated programs includes such titles as "The Mary Tyler Moore Show," "The Bob Newhart Show" and Tandem Productions' "All in the Family," which has been sold in 109 television markets for nearly $100,000,000. In 1979, the company acquired a package of 28 theatrical films from CBS for approximately $30,000,000, a deal that rates as Viacom's largest single product acquisition and one of the largest in television syndication history.

Access to off-network titles, however, is becoming increasingly difficult as more companies discover the low capital requirements and profit potential of syndication. The television series "Hawaii Five-O" represents Viacom's most recent acquisition in that category.

Says Viacom president Terrence Elkes: "There's no question that the marketplace is more competitive. It's one of the major reasons that we've become more aggressive in network programing and first-run programing."

The company is stressing original production in these areas. It has coproduced first-run programs, made-for-television movies and two theatrical feature films.

■ Mr. Elkes says Viacom's goal as a diversified communications entertainment company is to "continue to grow in the area of software production and acquire various outlets in the chain of distribution."

Viacom formed the Entertainment Group in 1979, incorporating the Enterprises division, programing development and production and Showtime under one umbrella. Mr. Elkes says the move represents a "consolidation of all software resources, which we see as becoming more interchangeable."

Showtime, the pay television operation owned jointly by Viacom and Teleprompter, currently has about 2,500,000 subscribers. It ranks as the nation's second largest satellite-distributed pay tv service in a field dominated by Time Inc.'s Home Box Office. In an effort to narrow the gap with HBO, Showtime went to 24-hour programing in July. Here again, Viacom is emphasizing original material. The biweekly comedy series, "Bizarre," is an example of the sort of "creative episodic programs" the company hopes to develop.

The acquisition last year of the Sonderling Broadcast Corp. for $28,000,000 netted Viacom eight major market am-fm radio stations and a CBS tv affiliate in Albany, N.Y. The station, WAST, has since switched to NBC affiliation. The purchase was viewed by some as a tactical move against possible takeovers, given the complexities of FCC license transfer, and the recent memory of Storer Broadcasting Co.'s bid for Viacom in 1977.

■ Mr. Elkes dismisses that notion, saying, "The action represents a strategic decision made long before any takeover attempts. Besides, we already have a station in Hartford, Conn. Legal protection gets no better with the number of properties."

The company purchased WLAK, an fm radio station in Chicago this year. Says Mr. Elkes, "We think radio is a major growth business offering another potential for programing."

Viacom's cable television division is actively competing for franchises, and today counts more than 485,000 subscribers in roughly a dozen systems.

The cable division was recently awarded a 20-year extension of its franchise in San Francisco, and plans to spend $65,000,000 there in constructing and rebuilding cable systems. Viacom is pursuing franchises in Montgomery County, Md., and South Prince Georges, Va., and has been awarded a franchise in Mountain View, Cal., pending clearance.

Mr. Elkes says the company would like to add one or two franchises a year. He adds, "We don't take a shotgun approach to franchising, but a rifleshot. We choose selectively."

MEDIA PROPERTIES
Broadcasting: TELEVISION: WVIT-TV, Hartford, Conn.; WAST-TV, Albany, N.Y. RADIO: KDIA (am), Oakland, Cal.; WMZQ (fm), Washington; WWRL (am), WKHK (fm), New York; WDIA (am), WQUD (fm), Memphis, Tenn.; KIKK (am), Pasadena, Tex.; KIKK (fm) Houston.
Cable/video: Showtime pay tv service (50% interest). Viacom Cablevision franchises: CALIFORNIA—Biggs (40% interest), Colusa (40% interest), Crockett, Dublin, Gridley (40% interest), Healdsburg, Livermore, Marysville (40% interest), Napa, Oroville (40% interest), Paradise (40%), Petaluma, Pinole, Pittsburg, Pleasanton, Red Bluff, Redding, San Francisco, San Rafael, Sonora. NEW YORK—Islip. OHIO—Dayton, Shaker Heights.OREGON—Salem. TENNESSEE—Nashville. WASHINGTON—Lynwood, Monroe, Oak Harbor, Seattle, Snohomish, Sultan.

OTHER OPERATIONS:
Viacom Enterprises, Viacom programing and distribution.

Warner Communications

Warner Communications, New York, is the country's 77th largest media company, with $76,500,000 in media revenues in 1980, primarily from cable tv operations. Media operations represented only 4% of total corporate revenues of $2 billion for the worldwide communications and entertainment conglomerate.

Warner's media activities are centered in Warner Amex Cable Communications (50/50 ownership between Warner and American Express Co.), which had revenues of $107,800,000 in 1980. The other major contributors to media operations are DC Comics, and "Mad Magazine" and "Mad Spec which had estimated revenues of $22,000,000 last year. Recorded music and music publishing, not counted as media, is the largest Warner division, contributing 40% to total revenues in 1980.

Warner's cable operation got its start in the early 1970s when Warner purchased Continental Telephone Corp., TeleVision Communications Corp. and Cypress Communications Corp., thereby creating Warner Cable. Warner sold 50% of the unit to American Express in 1979 to gain capital for expansion. Amex used the joint venture to enter consumer entertainment.

Warner Amex is now the fifth largest muitiple system operator in the U.S., behind American Television & Communications (Time, Inc.), Teleprompter (now owned by Westinghouse Electric Corp.), Tele-Communications and Cox Cable Communications. It has 850,000 subscribers in 144 markets in 27 states.

Additionally, Warner Amex could emerge the big winner in the heated battle for franchises in the four unwired boroughs of New York, sometimes referred to as the biggest "virgin territory" for cable in the Northeast, if not the U.S. In recent action, the city board of estimate's cable working group recommended Warner Amex for portions of the Queens, Brooklyn and Staten Island franchise pies. Warner Amex was one of seven of 13 contenders recommended for franchises in the area. (AA, Nov. 23)

■ Two Warner Amex cable systems carry advertising and plans are under way to sell advertising on additional systems. Basically, advertising is a local buy and rates are inexpensive.

Warner Amex Satellite Entertainment Corp. is the programing division of the joint venture. It features a video jukebox called MTV: Music Television. A 30-second spot on MTV costs from $400 to $1,200. In only three months after startup in August, MTV was 30% sold. Warner finds sponsors for 75% of allotted commercial time with the local affiliate selling the rest.

The Warner unit also procures advertising for Cable News Network. "Although advertising revenues from cable are not significant at this time," says a Warner official, "it is expected to become important in the years to come."

QUBE, a two-way interactive system first offered in Columbus, O., features limited advertising, but the possibilities are endless for generating income if the service becomes affordable and meets with consumer acceptance.

Warner also sells outdoor advertising space at each of 32 amusement centers operating under the name of Malibu Grand Prix.

■ Warner is the largest distributor of magazines through its publisher services operation, but few are its own. It just concluded a deal, however, in which it plans to purchase 56% of *Us*, when it goes from twice-monthly publication to weekly in the fall of 1982. The company owns "Mad Magazine," which has no ads, and DC Comics, formerly Detective Comics, most of which have ad pages. DC publishes more than 30 titles each year, including *Batman, Wonder Woman and Superman.*

Warner beefed up its media investment in early 1981 by purchasing 8.6% of the stock in Harcourt Brace Jovanovich, which so incensed the book and trade magazine publisher that it forced Warner to issue releases indicating it was merely interested in Harcourt for investment purposes. According to a Wall Street analyst, however, "This is Warner's style—to buy a little stock and sit tight. If they like what they see, they'll buy more stock. Warner did this with the recent Franklin Mint acquisition and other companies."

MEDIA PROPERTIES:
Cable/video: (franchises of Warner Amex Cable Communications) ARIZONA—Flagstaff, Parker, Sedona. ARKANSAS—Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA—Avenal, Bakersfield, Barstow, Big Bear Lake, Blythe, Lake Arrowhead, Malibu, Palm Springs, Taft, Victorville and Wrightwood. FLORIDA—Crestview, Fort Walton Beach, Lake City, Niceville, Winter Haven. GEORGIA—Cedartown, Elberton, Homerville. ILLINOIS—Altamont, Chicago (suburban areas), Danville, DeKalb, Rochelle. INDIANA—Union City. IOWA—Albia, Denison, Guthrie Center, Sac City. KANSAS—Hiawatha, Russell. MAINE—Island Falls, Patten. MASSACHUSETTS—Athol, Chelsea, Dalton, Everett, Lynn, Maiden, Medford, Melrose, Peabody, Pittsfleid, Salem, Somerville, Winthrop. MINNESOTA—Babbitt, Ely, Fergus Falls, Little Falls. MISSISSIPPI—Batesville, Cleveland, Houston, Lambert, Louisville, Marks, Pontotoc, Water Valley, Yazoo City. MISSOURI—El Dorado Springs, St. Louis (suburban areas), Tarkio, Warrensburg, Warsaw, Waynesville, Windsor. NEBRASKA—West Point. NEW HAMPSHIRE—Berlin, Claremont, Lancaster, Nashua. NEW JERSEY—Avalon. NEW YORK—Olean. OHIO—Akron, Canton, Cincinnati, Columbus, Delphos, Fort Shawnee, Kenton, Norward, St. Mary's, Sidney, Wapakoneta. OREGON—Coos Bay, Hood River, Myrtle Point, Sandy, Wemme. PENNSYLVANIA—Altoona, Bradford, Chambersbury, Clearfield, Marietta, Morrison Cove, Newport, Pittsburgh, Pottsville, Reedsville, Warren. TENNESSEE—Erwin, Greeneville, Kingsport, Parsons, Waynesboro. TEXAS—Burnet, Crockett, Dallas, Dumas, Fairfield, Hico, Houston, Mexia, Navasota, Pecos, Rosebud, Stephenville. VERMONT—Bellows Falls, Brattleboro, Bristol. VIRGINIA—Hampton, Harrisonburg, Reston, Williamsburg. WEST VIRGINIA—Martinsburg. WISCONSIN—Marinette (80% interest), Marshfield, Menasha (80% interest), Merrill, Neenah (80% interest), Oshkosh (80% interest).
Other: D.C. Comics, "Mad Magazine," "Mad Specials," Warner Amex Satellite Entertainment Co.

OTHER OPERATIONS:
Consumer electronics and toys, recorded music and music publishing, direct response marketing, filmed entertainment.

Washington Post Co.

The Washington Post Co. is the country's 12th largest media company, with revenues of $646,692,000 from media related operations in 1980, or 98% of total operating revenue. The flagship *Washington Post* accounted for 42% of total operating revenues of $659,535,000; the weekly *Newsweek* magazine, 38%, and the four Post-Newsweek tv stations, 12%. Net earnings were $34,335,000, up 17% from 1979.

The company's 20% return on equity in 1980 was among the best in the newspaper industry.

Over the past 30 years, Post Co. has built the *Washington Post* into one of the nation's top daily newspapers and a clear rival to the *New York Times* as a publication vital to national opinion makers. With Time Inc.'s decision to close the ailing afternoon *Washington Star* this summer, the *Post* is entering [illegible] era as the only surviving [illegible] circulation daily in the na[illegible] capital.

Newsweek has prospered as the second largest newsweekly, behind *Time* and ahead of *U.S. News & World Report*. And the company has pulled four network-affiliated tv stations into a profitable broadcast division that could be the springboard for new tv ventures.

Under Richard D. Simmons, president of the company since Sept. 1, Post Co. also has begun ridding itself of money-losing properties. In late October it sold the daily *Trenton* (N.J.) *Times*, which has been in the red for three straight years and losing circulation, to Allbritton Communications Co. for a reported $10,000,000 to $11,000,000.

A week later it announced it was trying to sell *Inside Sports*, its 18-month-old sports monthly. The magazine had a pre-tax loss of $12,000,000 in 1980, and could lose as much as $10,000,000 more this year. Mr. Simmons said company strategists were wrong when they assumed that the magazine could survive on newsstand sales.

Unlike many other newspaper companies, Post Co. so far has stayed out of the race into cable tv ownership. But it is participating in three separate "electronic publishing" tests as a supplier of information. Using telephone lines, Post stories are sold to subscribers of the CompuServe database service, based in Columbus, O.; *Post* stories are transmitted via videotex signals by WETA-TV, the public tv station in Washington, and a "Newsweek International" newsletter is distributed electronically in Europe by Prestel International, a British company.

Post Co. chairman Katharine Graham, as chairman of the American Newspaper Publishers Assn. this year, has been a major figure in the newspaper industry's effort to bar American Telephone & Telegraph Co. from entering the electronic publishing field as an information provider.

Chairman Graham, 63, brought in Mr. Simmons, 46, from Dun & Bradstreet Co., where he was vice-chairman and had helped the company diversify into electronic distribution of information. Separately, Mark Edmiston advanced from exec vp to president of Newsweek Inc. this year, replacing Peter Derow, who left to head the CBS Publishing Group.

Post Co. appears to be in the final laps of a major investment program. After pumping $210,000,000 into its operations from 1978 to 1980, the company will spend about $50,000,000 more this year before slowing the pace in 1982 and 1983.

The *Washington Post* appears to have been the biggest beneficiary of the spending push: A new, $68,000,000 satellite printing plant; a reported $15,000,000 to acquire the printing plant of the shuttered *Washington Star*; $7,000,000 for a computerized newswriting and editing system, and millions more for modernizing and expanding the *Post's* original printing plant.

While critics fear that monopoly newspapers cut back on quality, *Post* publisher Donald Graham, 35-year-old son of the chairman, added about 30 *Star* reporters and columnists to his paper's already huge editorial staff of more than 400 to give it even more breadth.

Partly because of the heavy capital spending, and a loss on the sale of the *Trenton Times* and another subsidiary, the company's earnings were down 24% in the first nine months this year, to $14,300,000 from $18,900,000. Earnings were also hurt by the costs of a 25% jump in the *Post's* daily circulation to more than 730,000 after the *Star* folded; the costs of the additional circulation were higher than the-*Post's* ad rate increases.The company's *Everett Herald* in Washington state launched its first Sunday edition in April, and*Newsweek* added a new monthly advertising edition, *Newsweek Woman*. And its Detroit tv station, WDTV, is getting a new, $13,000,000 broadcast center.

MEDIA PROPERTIES:
Newspapers: Everett (Wash.) *Herald*; *Princeton* (N.J.) *Spectrum*; *Washington Post*.
Magazines: *Newsweek*; *Inside Sports* (up for sale).
Broadcasting: WDIV-TV, Detroit; WJXT-TV, Jacksonville, Fla; WPLG-TV, Miami; WFSB-TV, Hartford, Conn.

OTHER OPERATIONS:
Bear Island Paper Co. (30% owned); Bowater Mersey Paper Co. Ltd. (49% owned); *International Herald Tribune* (30% owned); Los Angeles Times-Washington Post News Service (50% owned); Newsweek Broadcasting; Post-Newsweek Distribution (distribution of video programing); Post-Newsweek Productions (production of video programing); Publishers Phototype (24% owned); Robinson Terminal Warehouse (newsprint warehousing; 92% owned);Washington Post Writers Group (features syndication).

Westinghouse Electric Corp.

Westinghouse Electric Corp., Pittsburgh, is the country's 27th largest media company, with revenues of $266,500,000 from its Westinghouse Broadcasting Co. operations in 1980. Total operating profits were $64,400,000. Media represented 3% of total Westinghouse sales of $8.514 billion.

Daniel L. Ritchie, president and chief exec of Westinghouse Broadcasting, New York, said company activities in 1980 signified the biggest change Westinghouse has seen since it entered the broadcasting business in the late 1940s

On Oct. 15, 1980, Westinghouse Broadcasting announced plans to acquire Teleprompter Corp., the second biggest U.S. cable tv company. Eight months later—in July—the FCC approved the $646,000,000 deal. Teleprompter's revenues, which could hit $240,000,000 in 1981, will nearly double the size of Westinghouse Broadcasting.

Westinghouse paid almost 28 times Teleprompter's 1980 earnings and 4.4 times its shareholders equity to acquire the company.

■ "Teleprompter really provides us with the opportunity to become involved in what we feel the future will be," Mr. Ritchie said. "Commercial television and radio today will survive and do quite well in the mass market but the explicit growth is going to be in the cable areas."

He emphasized that Westinghouse's strength is in the area of programing. To that end, the company has begun one project and is exploring the possibility of others.

In August, Westinghouse's Group W Satellite Communications and ABC Video Enterprises entered into a joint venture to create Satellite NewsChannels, a 24-hour all-news cable tv service.

The channel is designed to provide news that is updated every 18 minutes, much like Group W's all-news radio. A second service will be designed to attract people who want a deeper look at the news.

■ Westinghouse has also entered into a joint venture with Walt Disney Productions to create and operate a family entertainment pay-cable channel.

Mr. Ritchie is concerned about the FCC's deliberations and ultimate decision concerning prime-time access. On Aug. 13, NBC asked the FCC to return to the networks the half hour of prime that currently belongs to local stations.

Westinghouse has put the half hour to good use with its syndicated "P.M. Magazine." More than 100 stations receive the show and more than 1,000 people across the country are employed to produce local inserts for the show.

Mr. Ritchie said that, in terms of revenues, an adverse decision on prime time access wouldn't be a crushing blow to Westinghouse because of a pattern set by NBC, which offered a healthy number of commercial spots to the affiliates in the half-hour in question.

Mr. Ritchie said that Westinghouse Broadcasting will not be looking to expand in the near future. However, he indicated that new properties could be acquired as a result of the company's obligation to dispose of its cross-ownership in various cable systems.

The FCC has required Westinghouse to dispose of 13 Teleprompter systems that operate in the same areas as Westinghouse tv stations. He said this would give the company the opportunity to buy or trade for other systems.

MEDIA PROPERTIES:
Broadcasting: TELEVISION—WBZ TV, Boston; KYW-TV, Philadelphia; KPIX-TV, San Francisco; KDKA-TV, Pittsburgh; WJZ-TV, Baltimore, WPCO-TV, Charlotte, N.C. RADIO—WBZ-AM, WBZ-FM, Boston; KYW (am), Philadelphia; KDKA (am), WPNT (fm), Pittsburgh; WINS (am), New York; WOWO, Fort Wayne, Ind.; WIND (am), Chicago; KFWB (am), Los Angeles; KODA (fm), Houston; KOAX (fm), Dallas-Fort Worth; KJQY (fm), San Diego.
Cable/video: (All designated "Teleprompter" unless otherwise indicated.) ALABAMA—Dothan, Florence, Gadsen, Huntsville, Mobile, Tuscaloosa. ARIZONA—Prescott. CALIFORNIA—Fort Bragg, Fullerton, Kings Beach, Lompoc, Los Angeles Data, Los Gatos, Milpitas, Newark, Newport Beach, Oakland (80% interest), Piedmont (80% interest), San Bernardino, Sant Clara, Santa Cruz, Santa Maria, Seal Beach, Sierra Madre, Simi, Simi Valley, Ukiah, Willits, Yucca Valley. COLORADO—Trinidad. CONNECTICUT—Danbury, Middletown. FLORIDA—Boca Raton, De Land, Haines City, Hillsborough County, Holly Hill, Lakeland, Manatee County, Marianna, New Port Richey, New Smyrna, Palm Beach County, Plantation, Quincy, St. Petersburg, West Palm Beach, Winter Garden. HAWAII—Honolulu (50% interest). IDAHO—Lewiston, Pocatello. ILLINOIS—Galena, Rock Island. IOWA—Dubuque. KANSAS—Liberal. LOUISIANA—Baker/Zachary, Leesville, St. Bernard parish. MAINE—Caribou. MASSACHUSETTS—Worcester (80% interest). MICHIGAN—Calumet, Escanaba, Iron Mountain, Ironwood, Sault Ste. Marie, Grosse Point. MISSOURI—St. Louis Telecom. MONTANA—Great Falls, Kalispell, Missoula, Cut Bank. NEVADA—Reno. NEW HAMPSHIRE—Keene. NEW JERSEY—Birdston, Ocean City, Ramapo, Ventnor, Vineland, Wildwood. NEW MEXICO—Farmington, Lovington, Portales, Silver City, Tucumari. NEW YORK—Elmira, Ilion, Islip, Jamestown, Mount Vernon, Newburgh, Manhattan (50% interest), Oswego, Warwick. OHIO—Portsmouth, Ridgeville. OREGON—Coquille, Eugene, Portland. PENNSYLVANIA—Johnstown. SOUTH CAROLINA—Greenwood. TEXAS—Baytown, Commerce, El Paso (74⅔% interest), Galveston, Graham, Grapevine, Irving, Palestine. VIRGINIA—Richlands. WASHINGTON—Richland, Seattle, Tacoma, Walla Walla, Wenatchee. WEST VIRGINIA—Clarksburg, Fairmont, Morgantown. WISCONSIN—LaCrosse. WYOMING—Rawlins.

Wometco Enterprises

Wometco Enterprises, Miami, is the country's 69th largest media company, with revenues of $95,400,000 from media operations in 1980, or 27% of total revenues of $357,187,000. Broadcasting accounted for about 16% of total revenues and cable and subscription tv combined for about 11%. Total earnings last year were $20,797,000.

The publicly held company also owns movie theaters, tourist attractions and food vending operations and is one of the country's largest Coca-Cola bottlers. Although the bottling and vending businesses are each larger than the broadcasting or cable-stv divisions, Wometco sees the media operations as providing most of its growth in the 1980s.

"We think we are in a good position to grow and prosper in the tv communications industry, no matter which direction it may take," said Mitchell Wolfson, president and chairman.

At the end of July, Wometco's cable tv business had 176,000 subscribers, including 130,000 pay-cable tv subscribers, in 121 franchises in eight states and the Bahamas. In May, the company raised $17,000,000 for cable tv expansion by offering 1,100,000 shares of Wometco Cable TV to the public. Wometco retains 84% of the stock and incorporates the cable company's results into Wometco's financial statements.

■ The company's cable operations are solidly profitable. Its stv business has been losing money but is in what Mr. Wolfson called a "turnaround" situation this year. Wometco's stv operation, known as Wometco Home Theatre, offers over-the-air programing to subscribers in the New Jersey-New York City metropolitan area and at the end of June began serving the Philadelphia-southern New Jersey market over Channel 65 in Vineland, N.J.

The New York-New Jersey stv business had been operated as a joint venture with Universal Subscription Television of Burlingame, Cal., but the venture was dissolved for undisclosed reasons in June.

As a result, Wometco became sole owner of WSNL-TV a Smithtown, N.Y., station (in Long Island) used for stv programing, and now operates WWHT-TV in Newark and Home Theatre in New York with a remaining minority partner, Blonder-Tongue Laboratories of New Jersey.

In the broadcasting division, Wometco owns and operates four vhf and two uhf stations and an fm radio station. With southern Florida's continuing economic strength and heavy national advertising spending, WTVJ in Miami, Wometco's flagship station and Florida's first tv station, is a major contributor to the division's profits.

MEDIA PROPERTIES:
Broadcasting: Tv—WTVJ-TV, Miami and West Palm Beach, Fla.; WLOS-TV, Greenville/Spartanburg/Asheville, N.C.; WZZM-TV, Grand Rapids/Kalamazoo/Muskegon, Mich.; KVOS-TV, Bellingham, Wash.; WWHT-TV, Newark, N.J.; WSNL-TV, Smithtown, N.Y. Radio—WLOS (fm), Greenville/Spartanburg/Asheville, N.C.
Cable/video: (Locations preceded by "Wometco Cable TV of" unless otherwise indicated) Alabama—Daleville Cablevision. Georgia—Austell, Berkeley Lake, Douglasville, Grayson, Hiram, Liburn, Norcross, Snellville; Satellite Cable TV, Acworth and Kennesay; Douglas County Cable TV; Cobb County Cable TV; Alert Cable TV, Fort Benning; Marietta Cable TV, Marietta; Clayton County (Forest Park, Jonesboro, Lake City, Morrow, Riverdale); Fulton County(Hapeville); Rockdale County. Louisiana—Cable TV of Acadiana,Eunice; Jeff Davis Cable TV, Jennings; Church Point Cable TV of Point Coupee; St. Landry Cable TV, Opelousas as St. Landry parish; St. Tammany Cablevision, Slidell; Alert Cable Tv of Oklahoma, Pryor Creek; Picayune Cablevision of Mississippi. North Carolina—Alert Cable TV of North Carolina, Garner, Cary, Carrboro, Reidsville, Selma, Cherry Point, Wake Forest and Farmville; Alert Cable of Goldsboro, Seymour Johnson AFB and Wayne County. South Carolina—Alert Cable of South Carolina, Andrews, Georgetown, Lake City; Columbia Cable TV, Cayce, Columbia, Immo, Lexington, Springdale, West Columbia; Dorchester Cablevision of New York-Ausable Communications, Ausable, Chesterfield, Dannemora, Keesville, Peru, Plattsburgh, Plattsburgh AFB, Saranac, Schuyler Falls.

OTHER OPERATIONS:
Citrus Tower; Coca-Cola Bottling Co. franchise vending operation in southern U.S.; Conch Tour Train sightseeing tours; Miami Seaquarium; motion picture theaters in Arkansas, Florida, the Bahamas, Dominican Republic, Puerto Rico, Virgin Islands.

Worrell Newspapers

Worrell Newspapers, Charlottesville, Va., is the country's 88th largest media company, with estimated revenues of $60,000,000 from media operations in 1980. It is a privately held company, with all its holdings in media.

The past few years have been busy ones for Worrell, as it attempts to diversify its holdings. During 1979 and 1980, it acquired several broadcast outlets, but has made no acquisitions during 1981.

The company did take over management of three publications in Broward County, Fla., that have a combined circulation fo 80,000. The move may lead to eventual purchase of these publications.

Worrell owns 24 dailies in 18 states. making it the seventh largest media company in number of newspapers, although it is about 40th in combined circulation. The chain's *Potomac News*, based in Virginia near Washington, had a 10% gain in circulation when the *Washington Star* folded.

"That is not the way we like to increase circulation—at the expense of a great newspaper," said John Fitzwater, director of marketing. The *News* has been a strong performer, as has *The Daily News* of Lynchburg, Va. The Lynchburg paper, with circulation of 40,000, was a 1979 acquisition.

The broadcast division made no acquisitions, but did boost power in its CBS affiliate station in the Virgin Islands. That makes WBNB in St. Thomas one of the major stations in the Caribbean.

Although it made no broadcast buys during the past year, Worrell is looking to expand and diversify by getting into more broadcast ownership. There are, however, no pending moves into cable or radio.

The family-owned company is run by Thomas E. Worrell Jr., 36. In the five years he has been chief exec, the company has nearly doubled in size.

MEDIA PROPERTIES
Newspapers (dailies): ALABAMA—*Florence Times, Tri-Cities Daily*, Florence. COLORADO—*Sterling Journal-Advocate*. ILLI NOIS—*Olney Daily Mail*. INDIANA—*Greensburg Daily News, Rushville Republican*. KENTUCKY—*Harlan Daily Enterprise, Madisonville Messenger, Middlesboro Daily News*. LOUISIANA—*Opelousas Daily World*. MISSISSIPPI—*Corinth Daily Corinthian*. NEW MEXICO—*Las Cruces Sun-News*. NORTH CAROLINA—*Lenoir News-Topic*. TENNESSEE—*Dyersburg State Gazette*. TEXAS—*San Marcos Daily Record*. VIRGINIA—Blacksburg

Sun, Charlottesville Daily Progress, Culpeper Star-Exponent, Dumfries Potomac News, Lynchburg News, Suffolk News-Herald.
Newspapers (weeklies): INDIANA—*Batesville Herald Tribune.* MAINE—*York County Coast Star,* Kennebunk. MISSISSIPPI—*Booneville Banner Independent.* NEBRASKA—*Sidney Telegraph.* NEW JERSEY—*Wildwood Gazette-Leader.* TENNESSEE—*Claiborne Progress,* New Tazewell. VIRGINIA—*Richlands News-Press, Rural Virginian,* Scottsville, *Clinch Valley News,* Tazewell. WEST VIRGINIA—*Princeton Times. Smyth County News,* Marion.
Broadcasting: WHSV-TB, Harrisonburg, Va.; WIFR-TV, Rockford, Ill.; WBNB-TV, Charlotte Amalie, St. Thomas, Virgin Islands.

Ziff Corp.

Ziff Corp., New York, is the nation's 35th largest media company, with media property revenues estimated at $200,000,000 in 1980. Consumer and trade publications accounted for about 89% of that total, and six tv stations the remainder.

Estimates of total revenues for the diversified publisher and broadcaster run between $225,000,000 and $250,000,000.

William Ziff, chief exec of the company, guards the company's privacy fervently. He inherited the company from his father, a man not at all like William Ziff in style or temperment; just as the son avoids the limelight, his father, a well known author and lecturer, was always in it.

After his father's death in 1953, William Ziff bought out William Davis, a cofounder of the then 17-year-old company. The Davis name still is part of the titles of company divisions.

Ziff's strategy has always been to build, largely through acquisitions and internal spinoffs, an empire of consumer and business special interest magazines.

Among its more highly trade-promoted properties is the Ziff-Davis Magazine Network, which targets the young, well heeled, active male. They are *Boating, Car & Driver, Flying, Photography, Skiing* and *Stereo Review.*

However, if promotion expenditures are any indication, *Psychology Today,* which Z-D positions as the special interest publication of the future, is a major focal point, some say because of William Ziff's fascination with it.

This past August, *PT* launched a new consumer and trade print campaign via Chiat/Day, New York. The theme of the campaign: "Sooner or later America arrives where our readers have already been."

■ In August, 1980, Z-D acquired *Uniques,* a Santa Barbara, Cal.-based quarterly featuring photographs and descriptions of palatial dwellings being sold for an average of $1,000,000. Since then, Z-D has moved the magazine's headquarters to New York, changed its name to *Unique Homes,* expanded its coverage, increased the cover price from $2.95 to $4.95, and announced plans to increase its frequency to every-other-month with the February issue.

Although clearly committed to special interest and business magazines, the company has shown signs of diversifying into database publishing, and has studied the application of current business publications to a database. Z-D has also launched a new quarterly, *Data Sources,* with data on software and equipment geared to the information-processing industry.

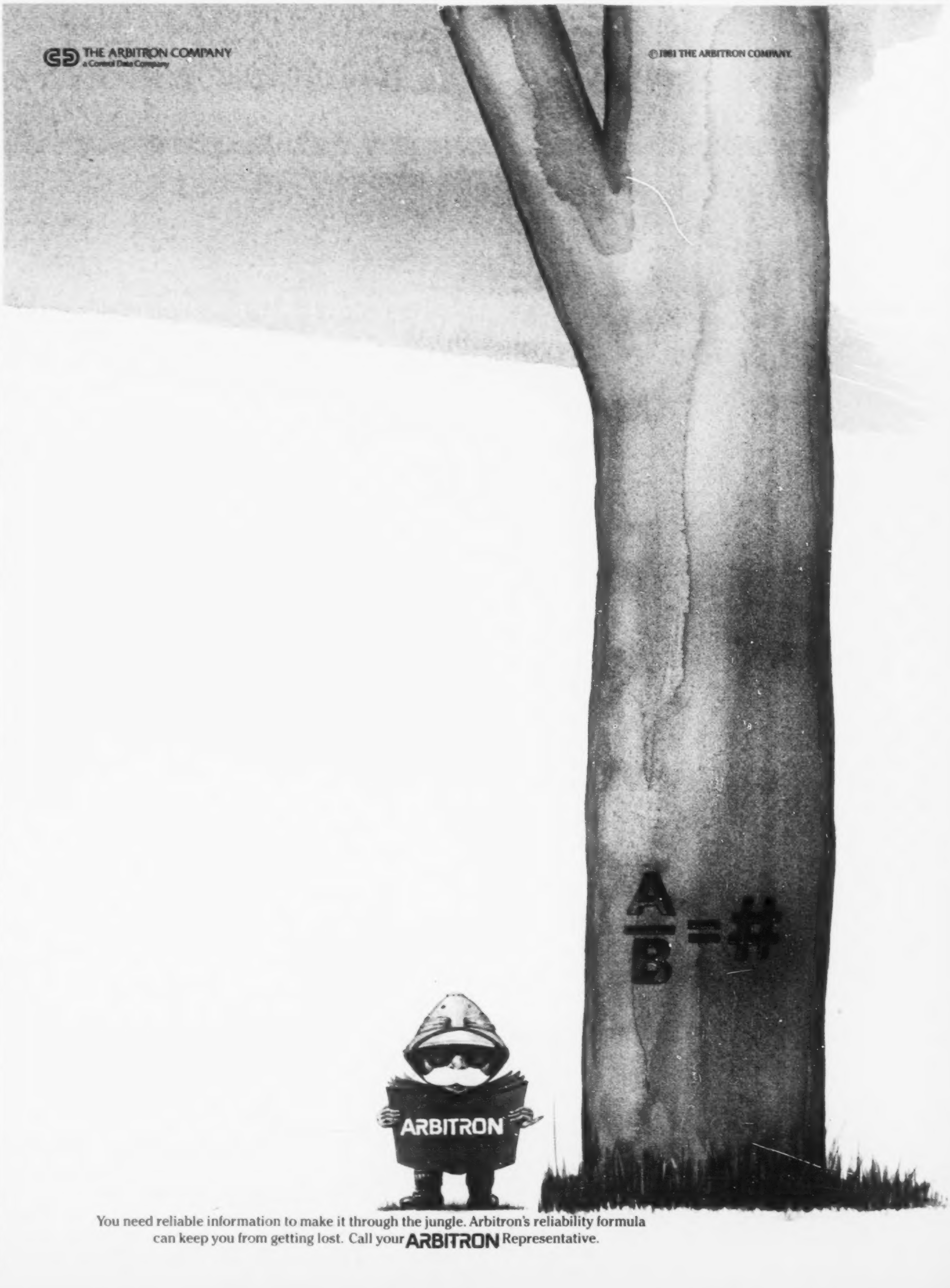
Recent computer acquisitions include Information Access Corp. and Managements Inc.

The company also has shown more than a passing interest in the economic theory and consulting businesses. Last year, Z-D acquired Wharton Econometric Forecasting Assn., a think tank previously associated with the University of Pennsylvania's Wharton Graduate School of Business. Earlier this year, the company acquired Barr Rosenberg & Associates, San Francisco, a consulting operation that specializes in Modern Portfolio Theory.

With its focus on publishing and databases, Ziff sold two fairly new acquisitions, Russ Craft Greeting Cards, Dedham, Mass., with holdings in gift and greeting lines and 17 broadcast companies, and Norcross, a Chester, Pa.-based greeting card company.

MEDIA PROPERTIES
Magazines: CONSUMER PUBLICATIONS—*Adventure Travel, Backpacker, Boating, Boat Owner's Buyer's Guide, Camera Arts, Car & Driver, Car & Driver Buyer's Guide, Cycle, Cycle Buyer's Guide, Fly Fisherman, Flying, Flying Annual & Pilot's Buying Guide, Modern Bride, Popular Electronics, Communications Handbook, Electronic Experimenters, Handbook, Popular Photography, Photography Annual, Photography Directory & Buying Guide, Psychology Today, Skiing, Stereo Review, Stereo Directory & Buying Guide, Unique Homes, Yachting.* BUSINESS & TRADE PUBLICATIONS—*A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, Official Hotel & Resort Guide, Official Meetings Facilities Guide, Photomethods, Skiing Trade News, Travel Weekly, Weekly of Business Aviation, World Aviation Directory, World Travel Directory.*
Broadcast: (Ziff-Davis Broadcasting Co.) WJKS-TV, Jacksonville, Fla.; WRDW-TV, Augusta, Ga.; WEYI-TV, Flint, Mich.; WROC-TV, Rochester, N.Y.; WTOV-TV, Steubenville, O.; WRCB-TV, Chattanooga, Tenn.

OTHER OPERATIONS:
Barr Rosenberg & Associates, Computer Intelligence Corp., Data Decisions, Data Sources, Information Access Corp., Management Contents, Strategic Information, University Communications, Wharton Econometric Forecasting Assn., various real estate holdings.



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Cigaret output by company (Billion units)

	1980				1981 (estimated)			
Company	Domestic	Export	Total	% of domestic market	Domestic	Export	Total	% of domestic market
R. J. Reynolds	201.71	30.42	232.13	32.6%	209.00	32.00	241.00	33.0%
Philip Morris	191.19	43.20	234.39	30.9	202.64	47.95	250.59	31.9
Brown & Williamson	84.49	18.30	102.79	13.7	88.05	17.00	105.05	13.9
American Brands	66.63	1.30	67.93	10.8	61.64	1.30	62.94	9.7
Lorillard	60.20	——	60.20	9.7	58.43	——	58.43	9.2
Liggett Group	14.35	——	14.35	2.3	14.75	——	14.75	2.3

Unit volume comparisons— the top ten brands

	1980		1981 (est)	
	Billion	Share	Billion	Share
R. J. Reynolds				
Winston	81.79	13.2%	84.04	13.2%
Salem	53.88	8.7	55.23	8.7
Camel	26.64	4.3	30.13	4.8
Vantage	23.63	3.8	24.09	3.8
	185.94	30.0	193.49	30.5
Philip Morris				
Marlboro	109.59	17.7	116.07	18.3
Benson & Hedges	28.37	4.6	28.94	4.6
Merit	26.01	4.2	28.80	4.5
	163.97	26.5	173.81	27.4
Brown & Williamson				
Kool	54.24	8.8	52.44	8.3
American Brands				
Pall Mall	31.69	5.1	29.59	4.7
Lorillard				
Kent	20.28	3.3	18.94	2.9
Total Top 10	456.12	73.7%	468.27	73.8%

Cigaret sales up in 1981

By JOHN C. MAXWELL JR.

We estimate that the cigaret industry will end 1981 with a strong 2.6% gain in units.

As usual, Philip Morris has shown the fastest growth, increasing some 6% in units and adding a share point. Reynolds is up about 3.6% and adding 0.4 of a share point. Liggett Group has increased 2.8%, primarily because of its generic cigarets, which now appear to have about a 0.4% share.

- In the top 10, Reynolds' Salem moved into the third slot and Camel became No. 5; these were the only changes in that group. Camel is the fastest-growing major product group in the industry, with an estimated gain of 25% this year. It is interesting to note that Camel nonfilters are up some 2.6%.

Also, the rate of decline seems to be abating for such products as Pall Mall and Lucky Strike. This may harbinger a "return to taste."

The same thing happened in Germany, where the preponderant share of the market worked itself down to very low tar and nicotine and then reversed itself and went back to more flavorful products. It would be wise to watch the full-flavor and nonfilter products to see if the same trends occur here.

Reynolds' portfolio moved ahead nearly across the board this year, with More leading (up about 33%). Philip Morris also saw nearly all of its portfolio move ahead in units, with Marlboro up 6% and 0.6 of a share point. Merit and Virginia Slims were also up substantially.

- Brown & Williamson's Barclay appears successful, with a 1.3% share for the year. In the case of Lorillard, the growth brand is Newport (up some 23%).

Low-tar cigaret consumption (*i.e.*, products with 15mg or less of tar) now accounts for almost two-thirds of the market, with the ultralow tars (*i.e.*, 0 to 6mg) in the area of 11%.

From what we can see, we continue to feel that the cigaret industry will grow modestly over the years.

On another subject, there has been considerable discussion about raising federal excise taxes on cigarets. In fact, a bill has been introduced to this effect every year for the past four years. It is our belief that this would be a bad move on the part of the government. Currently state and local governments get a goodly share of their income—some $4 billion annually —from tobacco taxes. A large increase in the federal excise tax might have an adverse effect on consumption growth, and in turn would mean a drop in income from this source of taxation for state and local governments, further aggravating the fiscal situation in many states. It would be nonsensical for Washington to expropriate this source of revenue from the localities.#

Mr. Maxwell is with Lehman Brothers Kuhn Loeb Research, New York.

Estimated low-tar cigaret consumption and full-year market shares by company

	Billion units		% of market	
Company	1980	1981	1980	1981
R. J. Reynolds				
7-15 mg	90.74	151.98	14.7%	23.9%
0-6 mg	13.50	25.91	2.2	4.1
	104.24	177.89	16.9	28.0
Philip Morris				
7-15 mg	79.82	86.81	12.9	13.7
0-6 mg	1.68	5.12	0.2	0.8
	81.50	91.93	13.1	14.5
Lorillard				
7-15 mg	29.61	28.02	4.8	4.4
0-6 mg	17.26	15.69	2.8	2.5
	46.87	43.71	7.6	6.9
Brown & Williamson				
7-15 mg	29.85	27.37	4.8	4.3
0-6 mg	——	9.53	——	1.5
	29.85	36.90	4.8	5.8
American Brands				
7-15 mg	12.65	11.56	2.1	1.8
0-6 mg	17.31	15.40	2.8	2.4
	29.96	26.96	4.9	4.2
Liggett Group				
7-15 mg	7.07	9.17	1.1	1.5
0-6 mg	0.40	——	0.1	——
	7.47	9.17	1.2	1.5
Total				
7-15 mg	249.74	314.91	40.4	49.6
0-6 mg	50.15	71.65	8.1	11.3
	299.89	386.56	48.5%	60.9%

Magazine debuts in video format

NEW YORK—About 200 subscribers this week will get their first look at the initial "issue" of *Video Newscasting Network*, a 30-minute business magazine in video form.

More than 150 of those charter customers who signed up for four years are general managers at tv stations, mainly in the U.S., but including Canada, according to Tom Madden. The onetime Fred Silverman aide at NBC now is president of *VNN*, formerly called *Video News Network* (AA, June 22).

Given all those tv station decision makers receiving *VNN* in videocassette form, Mr. Madden has been focusing his ad sales efforts on syndicators. Paramount Television Domestic Distribution, through senior vp Randolph Reiss, made *VNN*'s first major "long-term" sponsor buy, with its three commercial minutes on the premiere show to emphasize the first-run "Entertainment Tonight" series and the offnet potential of "Mork & Mindy" and "Taxi."

To attain his goal of booking subscribers at the roughly 700 commercial tv stations in the U.S., Mr. Madden has ordered a total of 650 copies of the first *VNN* to whet nonsubscriber tv execs' appetites. A small syndicator with a package of drop-in featurettes on tax topics also has bought a two-minute block of time on the opening show.

Roughly 50 of the 200 starting subscribers, Mr. Madden said, are execs in the syndication, ad agency and cable tv fields. Indeed, he said he already is considering two *VNN* spinoffs, one geared solely to advertising execs, the other to catv people.

Interview subjects in the opening *VNN* will include current Federal Communications Commission chairman Mark Fowler (interviewed by former FCC chairman Richard Wiley, who is *VNN*'s Washington anchorman); Mike Weinblatt, Showtime president, who will give a sneak preview of its prime time comedy series, "Romance"; Paul Klein, who will examine the November sweeps tv ratings data; Roger Rice, Television Bureau of Advertising president, and William Baker, tv group president, Westinghouse Broadcasting Co. "Television Digest" editorial director David Lachenbruch will cover industry hardware features for *VNN*, starting with a comparison of the latest in lightweight electronic news-gathering cameras.

- Mr. Fowler's comments will continue in the second video issue, due to reach subscribers' offices two weeks after the first one. Also due are sessions with Gus Hauser, chairman, Warner Amex Cable Communications, and an Anheuser-Busch exec, who will discuss the brewer's local tv and catv buying strategies and commercials. And, in a light moment, A-B will show *VNN* subscribers a spot that never will run anywhere else: A "beer hunter" spoof of the Russian roulette scene in "The Deer Hunter," with A-B people popping beer cans by their heads rather than pulling a gun trigger.#

USPS halts drug efforts

WASHINGTON—Twenty-one companies have agreed to stop direct mail marketing of "look-alike" drugs, and 40 other companies remain under investigation, according to Postal Service inspectors. The drugs resemble amphetamines and depressants, widely known and abused substances, and are marketed to junior high school and high school youths who believe they're buying the real thing, the Postal Service said.

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Ad bureau sells NABSCAN

NEW YORK—The Newspaper Advertising Bureau has sold its NABSCAN division to a consortium of research companies and individual investors. NABSCAN will be incorporated as a separate entity by its new owners.

Although the identities of the buyers were not made public by the bureau, it is known that the group includes Market Science Assn. of Pittsburgh, a research organization that has been the chief processor of NABSCAN data.

NABSCAN, the National Advertised Brands Scanning Reports, was established by the bureau in 1974 to gather and report grocery product movement data from supermarket checkout scanners. It has become the largest such operation in the world, scanning checkout data from more than 450 supermarkets in 30 states.

Its president, Richard Neale, has indicated he will return to the bureau and a new head will be selected by the new owners.

Bureau president Jack Kauffman said one of the reasons the operation was being sold was because it has grown so large that it was in danger of dwarfing the bureau itself.

"Since the bureau's mission is to sell newspaper advertising, rather than operate a market research company, we decided somewhat reluctantly that NABSCAN belonged outside of the bureau," Mr. Kauffman said.

"We are totally committed, however, to the continuing use of NABSCAN data," he added. "We know how accurate it is; we know how timely it is, and we have seen again and again how scanner data can pinpoint consumer response to even minor changes in promotional strategy and execution."

Mr. Neale said that all current contractual agreements with participating stores, suppliers and clients would remain in effect.#

Sugarman loses in House

WASHINGTON—A congressional oversight subcommittee that has looked into the Federal Trade Commission investigation of Joseph Sugarman's mail order promotions has reported that Mr. Sugarman's comics books and other materials "do not present a fair rendering of the facts."

In comics books, speeches and advertisements, Mr. Sugarman has contended that JS&A, his Illinois-based mail order operation, has been the victim of a vendetta by FTC's staff. FTC, in turn, has insisted that its investigations show numerous violations of the mail order industry rules requiring notice to consumers whose orders are not filled promptly.

■ Rep. John Dingell (D., Mich.), the subcommittee chairman, said he does not normally get involved in cases while they are still pending in court, but added that in the investigation of the Sugarman case it was necessary because Mr. Sugarman's charges against FTC had been "widely disseminated and raised legitimate concerns in the minds of thousands of people."

While the report focuses almost entirely on the Sugarman case, it includes a strong endorsement for the FTC mail order industry rules, which Mr. Sugarman has attacked as "confusing." Referring to a statement that the Direct Mail/Marketing Assn. submitted during the subcommittee's Sept. 18 hearing, Rep. Dingell said, "It appears the rule is accomplishing the objective of protecting consumers and businessmen alike without imposing undue regulatory burdens upon the industry."

The subcommittee's staff conducted an in-depth investigation, he explained, after congressmen received "a stream of letters" from small businessmen and JS&A customers based on a comics book Mr. Sugarman published.

■ FTC's investigation began in late 1979, and sparked a fierce response from Mr. Sugarman, who contends that most of his problem relates to delivery breakdowns beyond his control because they occurred during a big snowstorm. Early last year, however, a federal judge in Chicago rejected Mr. Sugarman's complaints against FTC and ordered him to turn over his files to FTC investigators. FTC subsequently reported that over 8,000 orders had been held 60 days or more in the August, 1977-December, 1978, period, well before the snowstorm, and at FTC's request the Department of Justice is in court seeking civil penalties against Mr. Sugarman.#

Kahn heads Sara Lee unit

DEERFIELD, ILL.—In another management shakeup at the Kitchens of Sara Lee, P. Frederick Kahn, senior vp-frozen sweet goods at parent Consolidated Foods, has assumed the role of acting president, succeeding William Mahoney.

Additionally, Richard Sharoff, formerly director of planning for the frozen sweet goods group, has exchanged positions with David McSwain, previously Sara Lee's vp-retail marketing.

■ A spokesman for Consolidated said the changes were considered reassignments; Mr. Kahn "wants to learn that part of the business a little better," and Mr. McSwain and Mr. Sharoff were transferred in a "management development" process intended to "move people around to train them," he said.

Mr. Mahoney has moved to the corporate headquarters in Chicago, where he will undertake a special assignment, reporting to corporate president John Cardwell.

The move means Mr. Kahn, who already had responsibilities for Sara Lee, Chef Pierre and Popsicle Industries, will assume control of Sara Lee's domestic and international operations. As recently as last year, Sara Lee's worldwide and U.S. units were operated under two separate managements, with less direct control from the corporate office.

Sara Lee, which has been under pressure from the economy and the competition presented by Warner-Lambert's Entenmann's fresh baked goods, had flat sales in the first quarter, relative to last year, despite an increasing market share.

The company began testing fresh baked goods, produced and distributed by Campbell Taggart, in Chattanooga and Nashville this fall (AA, Sept. 14), but already has pulled out of Chattanooga tests. The spokesman said it is too early to determine the test results.

However, the company also has moved aggressively into a food service program to provide thaw-and-eat bakery products to supermarket in-store bakeries. The spokesman said Consolidated sees the national program, which permits Sara Lee products to be sold under private labels, as "an alternative way to go after the fresh [baked goods] market."#

Agency exec Clyne dies

GREENWICH, CONN.—C. Terence Clyne, 75, founder and chairman-chief executive officer of the former C.T. Clyne Co., New York, died Nov. 30 of a heart attack at his home here.

Before founding his agency, Mr. Clyne had been associated with McCann-Erickson, the old Biow Co. and Clyne-Maxon Inc. Mr. Clyne began his career in 1937 when he worked for Free & Peters radio reps. From 1946 to 1954 he was an exec at Biow Co. on the Bulova watch account, among others, before joining McCann-Erickson to head up the agency's radio-tv department. Bulova also went over to McCann during that time. While at McCann, he was involved with that shop's production of "Sky King" and "Death Valley Days" and brought many advertisers into tv.

Mr. Clyne left McCann in 1961 for Maxon Co., which later became Clyne-Maxon. In 1963, Mr. Clyne was promoted to chairman of the agency's executive committee and president-ceo a year later. Clyne-Maxon merged with BBDO in 1965. That same year, Mr. Clyne purchased a minority holding in WCIX-TV, South Miami. Later the Clyne/BBDO merger was dissolved and the agency then merged with Dusenberry Ruriani Kornhauser. Clyne Dusenberry then became C.T. Clyne Co. Mr. Clyne retired last year and key Clyne executives formed Kornhauser & Calene.#

Dep rolls new item

LOS ANGELES—Dep Corp. is introducing new unscented formula Pears soap for delicate skins. Magazine ad support is done in-house.

Author O'Toole

(Continued from Page 3)

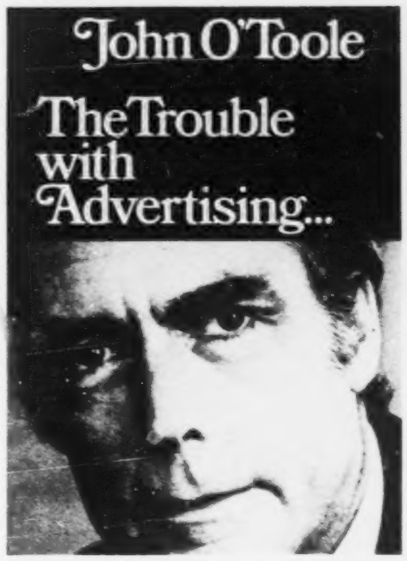
O'Toole envisions the contract would include a section that reads: "My advertising won't lie to you, and it will not deliberately try to mislead you. It won't bore the hell out of you or treat you as though you were a fool or embarrass you or your family. But remember, it's a salesman. Its purpose is to persuade you to trade your hard-earned cash for my product or service.

"In return for your putting up with all this, I'm going to support those newspapers and magazines and radio stations and tv programs you like so much. I'm going to pay for music, situation comedies, news, stories, movies, variety shows, football games, cartoon shows and reportage on every aspect of life you may be interested in . . .

"What do you say? Is it a deal? Great. I'm glad we understand each other."

Certainly, the problem Mr. O'Toole addresses is the fact that the public does not understand, nor necessarily trust, advertising. Partial blame can be placed with the violators of Mr. O'Toole's unwritten contract, false and misleading ads, impersonations of ads and boring ads.

Mr. O'Toole explains the basics of advertising, advertising people, and advertising agencies. He carefully details the entire creative process in a section titled, "Making better advertising while making advertising better." Mr. O'Toole also offers advice on developing strategy, ideas and executions. He includes the fundamental questions to be asked when creating advertising, and also provides a thinking/feeling grid system for figuring out a category's potential.



FCB's John O'Toole joins the ranks of authors writing about the advertising business with this insider's look. Published by Chelsea House, "The Trouble with Advertising" contains material of interest to both outsiders and advertising practitioners.

■ "The Trouble with Advertising" addresses the problems of advertising, the forces that the author sees as adding to the problems (*i.e.*, some government regulation), even the perpetrators of advertising's false image (he's not a big fan of another adman-author, Jerry Della Femina). Mr. O'Toole, like many in advertising, has heard all the grousing about the business. In fact, he heard from yet another critic recently when he was in Chicago for a book-signing.

"A woman walked by, saw the title and said, 'Advertising, that's all a pack of lies,'" Mr. O'Toole recounted. "At that moment, an old and dear friend of mine, John Coleman, came in. He does the weather for ABC in Chicago. He walked up and I said to the woman, 'If you think advertising is lies, I'd like to introduce you to the weatherman.' And I let her turn her wrath on someone else."#

Top gainers	Average circulation six mos. ended 9/30/81	% change from year-earlier period
1. New York Post	764,387	+19.5%
2. Washington Post	635,439	+ 8.7%
3. Rocky Mountain News	300,264	+ 8.4%
4. Houston Chronicle	384,305	+ 7.9%
5. Houston Post	348,571	+ 5.3%

Top losers	Average circulation six mos. ended 9/30/81	% change from year-earlier period
1. Philadelphia Bulletin	397,397	– 8.5%
2. Chicago Tribune	754,043	– 3.9%
3. Milwaukee Journal	308,426	– 3.2%
4. New York Daily News	1,483,333	– 2.7%
5. Kansas City Times	290,210	– 2.6%

This table is a corrected version of one in Section 2, Page S-20.